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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 13th May, 1993/Vaisakha 23, 1915 (Saka)

THE FINANCE ACT, 1993

No. 38 OF 1993

[*13th May*, 1993.]

An Act to give effect to the financial proposals of the Central Government for the financial year 1993-94.

BE it enacted by Parliament in the Forty-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the Finance Act, 1993. Short title and commencement.

(*2*) Save as otherwise provided in this Act, sections 2 to 42 (except section 14) shall be deemed to have come into force on the 1st day of April, 1993.

CHAPTER II

RATES OF INCOME-TAX

2. (*1*) Subject to the provisions of sub-sections (*2*) and (*3*), for the assessment year commencing on the 1st day of April, 1993, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax as reduced by the rebate of income-tax calculated under Chapter VIII-A of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) shall be increased,— Income-tax.

43 of 1961.

(*a*) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(*b*) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein.

(*2*) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding six hundred rupees, in addition to total income, and the total income exceeds,—

(*i*) in a case to which the said Sub-Paragraph I applies, twenty-eight thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, eighteen thousand rupees,

then,—

(*a*) the net agricultural income shall be taken into account, in the manner provided in clause (*b*) [that is to say, as if the net agricultural income were comprised in the total income after,—

(*i*) in a case to which the said Sub-Paragraph I applies, the first twenty-eight thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, the first eighteen thousand rupees,

of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(*b*) the income-tax chargeable shall be calculated as follows:—

(*i*) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(*ii*) the net agricultural income shall be increased,—

(*A*) in a case to which the said Sub-Paragraph I applies, by a sum of twenty-eight thousand rupees; and

(*B*) in a case to which the said Sub-Paragraph II applies, by a sum of eighteen thousand rupees,

and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income;

(*iii*) the amount of income-tax determined in accordance with sub-clause (*i*) shall be reduced by the amount of income-tax determined in accordance with sub-clause (*ii*) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that the amount of income-tax so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the

Income-tax Act, shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(*3*) In case to which the provisions of Chapter XII or Chapter XII-A or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (*1*) or the rates as specified in that Chapter or section, as the case may be:

Provided that the amount of income-tax computed in accordance with the provisions of section 112 shall be increased by a surcharge for purposes of the Union or surcharge as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:

Provided further that in respect of any income chargeable to tax under section 115B or section 115BB of the Income-tax Act,—

(*a*) the income-tax computed under section 115B shall be increased by a surcharge calculated at the rate of fifteen per cent. of such income tax; and

(*b*) the income-tax computed under section 115BB shall be increased,—

(*i*) in the case of a person other than a company, being a resident in India, by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax; and

(*ii*) in the case of a domestic company, by a surcharge calculated at the rate of fifteen per cent. of such income-tax.

(*4*) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule and shall be increased,—

(*a*) in the cases to which the provisions of sub-item (*a*) of item 1 of that Part apply, by a surcharge for purposes of the Union; and

(*b*) in the cases to which the provisions of sub-item (*a*) of item 2 of that Part apply, by a surcharge,

calculated in each case in the manner provided therein.

(*5*) In cases in which tax has to be deducted under sections 194C, 194EE, 194F and 194G of the Income-tax Act, the deduction shall be made at the rates specified in those sections and shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such deduction:

Provided that in the case of an assessee, being a domestic company, the provisions of this sub-section shall have effect, as if for the words "twelve per cent.", the words "fifteen per cent." had been substituted.

(*6*) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rate specified

in that section and shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such collection:

Provided that in the case of a buyer, being a domestic company, the provisions of this sub-section shall have effect, as if for the words "twelve per cent.", the words "fifteen per cent." had been substituted.

(7) Subject to the provisions of sub-section (8), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act shall be increased,—

(a) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(b) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of income-tax computed in accordance with the provisions of section 112 shall be increased by a surcharge for purposes of the Union or surcharge as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule:

Provided also that in respect of any income chargeable to tax under section 115B of the Income-tax Act, the "advance tax" computed under the first proviso shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent. of such "advance tax".

(8) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding six hundred rupees, in addition to total income and the total income exceeds,—

(i) in a case to which the said Sub-Paragraph I applies, thirty thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, eighteen thousand rupees,

then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the

said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(*a*) the net agricultural income shall be taken into account, in the manner provided in clause (*b*) [that is to say, as if the net agricultural income were comprised in the total income after,—

(*i*) in a case to which the said Sub-Paragraph I applies, the first thirty thousand rupees, and

(*ii*) in a case to which the said Sub-Paragraph II applies, the first eighteen thousand rupees,

of the total income but without being liable to tax], only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(*b*) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:—

(*i*) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income;

(*ii*) the net agricultural income shall be increased,—

(*A*) in a case to which the said Sub-Paragraph I applies, by a sum of thirty thousand rupees; and

(*B*) in a case to which the said Sub-Paragraph II applies, by a sum of thirty thousand rupees; and

and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II as if the net agricultural income as so increased were the total income;

(*iii*) the amount of income-tax or "advance tax" determined in accordance with sub-clause (*i*) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (*ii*) and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income:

Provided that the amount of income-tax or "advance tax" so arrived at, as reduced by the rebate of income-tax calculated under Chapter VIII-A of the said Act, shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(*9*) For the purposes of this section and the First Schedule,—

(*a*) "company in which the public are substantially interested" means a company within the meaning of clause (*18*) of section 2 of the

Income-tax Act, and includes a subsidiary of such company if the whole of the share capital of such subsidiary company has been held by the parent company or by its nominees throughout the previous year;

(*b*) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1993, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of the Act;

(*c*) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(*d*) "net agricultural income", in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(*e*) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(*f*) all other words and expressions used in this section or in the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of section 10.

3. In section 10 of the Income-tax Act,—

(*a*) after clause (*5A*), the following clause shall be inserted with effect from the 1st day of April, 1994, namely:—

'(*5B*) in the case of an individual who renders services as a technician in the employment (commencing from a date after the 31st day of March, 1993) of the Government or of a local authority or of any corporation set up under any special law or of any such institution or body established in India for carrying on scientific research as is approved for the purposes of this clause or sub-clause (*viia*) of clause (*6*) by the prescribed authority or in any business carried on in India and the individual was not resident in India in any of the four financial years immediately preceding the financial year in which he arrived in India and the tax on his income for such services chargeable under the head "Salaries" is paid to the Central Government by the employer (which tax, in the case of an employer, being a company, may be paid notwithstanding anything contained in section 200 of the Companies Act, 1956), the tax so paid by the employer for a period not exceeding forty-eight months commencing from the date of his arrival in India: 1 of 1956.

Provided that the Central Government may, if it considers it necessary or expedient in the public interest so to do, waive the condition relating to non-residence in India as specified in this clause in the case of any individual who is employed in India for designing, erection or commissioning of machinery or plant or supervising activities connected with such designing, erection or commissioning.

Explanation.—For the purposes of this clause, "technician" means a person having specialised knowledge and experience in—

(*i*) constructional or manufacturing operations, or in mining or in the generation of electricity or any other form of power, or

(*ii*) agriculture, animal husbandry, dairy farming, deep sea fishing or ship building, or

(*iii*) such other field as the Central Government may, having regard to availability of Indians having specialised knowledge and experience therein, the needs of the country and other relevant circumstances, by notification in the Official Gazette, specify,

who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;';

(*b*) in clause (*6*),—

(*i*) sub-clause (*vii*) shall be omitted;

(*ii*) in sub-clause (*viia*), in item (*II*), after the figures, letters and words "31st day of March, 1988", the words, figures and letters "but before the 1st day of April, 1993" shall be inserted;

(*c*) for clause (*10C*) [as substituted by section 4 of the Finance Act, 1992], the following clause shall be substituted, namely:— 18 of 1992.

"(*10C*) any amount received by an employee of—

(*i*) a public sector company; or

(*ii*) any other company; or

(*iii*) an authority established under a Central, State or Provincial Act; or

(*iv*) a local authority,

at the time of his voluntary retirement in accordance with any scheme or schemes of voluntary retirement, to the extent such amount does not exceed five lakh rupees:

Provided that the schemes of the said companies or authorities, as the case may be, governing the payment of such amount are framed in accordance with such guidelines (including *inter alia* criteria of economic viability) as may be prescribed and such schemes in relation to companies referred to in sub-clause (*ii*) are approved by the Chief Commissioner or, as the case may be, Director-General in this behalf:

Provided further that where exemption has been allowed to an employee under this clause for any assessment year, no

exemption thereunder shall be allowed to him in relation to any other assessment year;";

(*d*) in clause (*15*),—

(*i*) in sub-clause (*iv*), in item (*fa*), after the words "a scheduled bank", the words, brackets and figures "to a non-resident or to a person who is not ordinarily resident within the meaning of sub-section (*6*) of section 6" shall be inserted;

(*ii*) in sub-clause (*v*), for the words "Registrar, Supreme Court", the words "Welfare Commissioner, Bhopal Gas Victims, Bhopal" shall be substituted and shall be deemed to have been substituted with effect from the 2nd day of November, 1992;

(*e*) after clause (*23BBA*), the following clause shall be inserted with effect from the 1st day of April, 1994, namely:—

'(*23BBB*) any income of the European Economic Community derived in India by way of interest, dividends or capital gains from investments made out of its funds under such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Explanation.—For the purposes of this clause, "European Economic Community" means the European Economic Community established by the Treaty of Rome of 25th March, 1957;';

(*f*) in clause (23C), after sub-clause (*iii*), the following sub-clause shall be inserted, namely:—

"(*iiia*) the National Foundation for Communal Harmony; or".

Amendment of section 10A.

4. In section 10A of the Income-tax Act,—

(*a*) in sub-section (*2*), for clause (*i*), the following clause shall be substituted with effect from the 1st day of April, 1994, namely:—

"(*i*) it has begun or begins to manufacture or produce articles or things during the previous year relevant to the assessment year—

(*a*) commencing on or after the 1st day of April, 1981, in any free trade zone; or

(*b*) commencing on or after the 1st day of April, 1994, in any electronic hardware technology park or, as the case may be, software technology park;";

(*b*) in sub-section (*4*), in clause (*iii*), after the word, figures and letter "section 80-I", the words, figures and letters "or section 80-IA" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1991;

(c) in the *Explanation* occurring at the end, after clause (*iii*), the following clauses shall be inserted with effect from the 1st day of April, 1994, namely:—

'(*iv*) "electronic hardware technology park" means any park set up in accordance with the Electronic Hardware Technology

Park (EHTP) Scheme notified by the Government of India in the Ministry of Commerce;

(*v*) "software technology park" means any park set up in accordance with the Software Technology Park Scheme notified by the Government of India in the Ministry of Commerce;

(*vi*) "produce", in relation to articles or things referred to in clause (*i*) of sub-section (*2*), includes production of computer programmes;'.

Amendment of section 10B.

5. In section 10B of the Income-tax Act, in sub-section (*4*), in clause (*iii*), after the word, figures and letter "section 80-I", the words figures and letters "or section 80-IA" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1991.

Amendment of section 11.

6. In section 11 of the Income-tax Act, in sub-section (*2*), the following proviso shall be inserted at the end and shall be deemed always to have been inserted, namely:—

"Provided that in computing the period of ten years referred to in clause (*a*), the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or injunction of any court, shall be excluded.".

Amendment of section 16.

7. In section 16 of the Income-tax Act, in clause (*i*), with effect from the 1st day of April, 1994,—

(*a*) in the opening portion, for the words "twelve thousand rupees", the words "fifteen thousand rupees" shall be substituted;

(*b*) in the proviso, for the words "twelve thousand rupees" and "fifteen thousand rupees", the words "fifteen thousand rupees" and "eighteen thousand rupees" shall respectively be substituted.

Amendment of section 17.

8. In section 17 of the Income-tax Act, in clause (*2*), in the proviso, in clause (*vi*),—

(*a*) in sub-clause (*2*), for the words "travel or stay", the words "travel and stay" shall be substituted;

(*b*) for the portion beginning with the words "subject to the condition", and ending with the words "Reserve Bank of India in this behalf, prescribe", the following shall be substituted, namely:—

"subject to the condition that—

(*A*) the expenditure on medical treatment and stay abroad shall be excluded from perquisite only to the extent permitted by the Reserve Bank of India; and

(*B*) the expenditure on travel shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including therein the said expenditure, does not exceed two lakh rupees".

Amendment of section 35.

9. In section 35 of the Income-tax Act, after sub-section (*2A*), the following sub-section shall be inserted with effect from the 1st day of April, 1994, namely:—

'(*2AA*) Where the assessee pays any sum to a National Laboratory with a specific direction that the said sum shall be used for

scientific research undertaken under a programme approved in this behalf by the prescribed authority, then—

(*a*) there shall be allowed a deduction of a sum equal to one and one-fourth times the sum so paid; and

(*b*) no deduction in respect of such sum shall be allowed under any other provision of this Act:

Provided that every National Laboratory desirous of obtaining approval under this sub-section shall make an application in the prescribed form and manner to the prescribed authority:

Provided further that the prescribed authority may, before granting approval, call for such documents or information from the National Laboratory as it thinks necessary in order to satisfy itself about the genuineness of the activities relating to scientific research of such Laboratory.

Explanation.—For the purposes of this sub-section, "National Laboratory" means a scientific laboratory functioning at the national level under the aegis of the Indian Council of Agricultural Research, the Indian Council of Medical Research or the Council of Scientific and Industrial Research and which is approved as a National Laboratory by the prescribed authority in such manner as may be prescribed.'.

Amendment of section 36.

10. In section 36 of the Income-tax Act, in sub-section (*1*), in clause (*viia*), in sub-clause (*a*), for the words "two per cent.", the words "four per cent." shall be substituted with effect from the 1st day of April, 1994.

Amendment of section 44C.

11. In section 44C of the Income-tax Act,—

(*a*) clause (*b*) shall be omitted;

(*b*) in the *Explanation*, clause (*iii*) shall be omitted.

Amendment of section 80DD.

12. In section 80DD of the Income-tax Act, in sub-section (*1*), for the words "twelve thousand rupees", the words "fifteen thousand rupees" shall be substituted with effect from the 1st day of April, 1994.

Amendment of Section 80G.

13. In section 80G of the Income-tax Act,—

(*1*) in sub-section (*1*), in clause (*i*),—

(*a*) after the words, brackets, figures and letters "or in sub-clause (*iiiab*)", the words, brackets, figures and letter "or in sub-clause (*iiie*)" shall be inserted;

(*b*) after the words, brackets, figures and letter "or in sub-clause (*iiie*)" [as inserted by sub-clause (*a*) of this clause], the words, brackets, figures and letter "or in sub-clause (*iiif*)" shall be inserted with effect from the 1st day of April, 1994;

(*2*) in sub-section (*2*), in clause (*a*),—

(*a*) after sub-clause (*iiid*), the following sub-clause shall be inserted, namely:—

"(*iiie*) the National Foundation for Communal Harmony; or";

(*b*) after sub-clause (*iiie*) [as inserted by sub-clause (*a*) of this clause], the following sub-clause shall be inserted with effect from the 1st day of April, 1994, namely:—

"(*iiif*) a University or any educational institution of national eminence as may be approved by the prescribed authority in this behalf; or";

(*3*) in sub-section (5), in clause (*vi*), in the proviso, for the words "three assessment years", the words "five assessment years" shall be substituted.

Amendment of section 80HHE.

14. In section 80HHE of the Income-tax Act, in sub-section (*1*), in the proviso, for the figures "1994", the figures "1995" shall be substituted.

Amendment of section 80-IA.

15. In section 80-IA of the Income-tax Act, with effect from the 1st day of April, 1994,—

(*1*) in sub-section (2), for clause (*iv*), the following clause shall be substituted, namely:—

"(*iv*) (*a*) in the case of an industrial undertaking not specified in sub-clause (*b*), it begins to manufacture or produce articles or things or to operate such plant or plants, at any time during the period beginning on the 1st day of April, 1991 and ending on the 31st day of March, 1995, or such further period as the Central Government may, by notification in the Official Gazette, specify with reference to any particular industrial undertaking;

(*b*) in the case of an industrial undertaking located in an industrially backward State specified in the Eighth Schedule or set up in any part of India for the generation, or generation and distribution, of power, it begins to manufacture or produce articles or things or to operate its cold storage plant or plants or to generate power at any time during the period beginning on the 1st day of April, 1993 and ending on the 31st day of March, 1998;";

(2) in sub-section (5), for clause (*i*), the following clause shall be substituted, namely:—

'(*i*) (*a*) in the case of an industrial undertaking referred to in sub-clause (*a*) of clause (*iv*) of sub-section (2), twenty-five per cent. of the profits and gains derived from such industrial undertakings;

(*b*) in the case of an industrial undertaking referred to in sub-clause (*b*) of clause (*iv*) of sub-section (2), hundred per cent. of the profits and gains derived from such industrial undertaking for the initial five assessment years and thereafter twenty-five per cent. of the profits and gains derived from such industrial undertaking:

Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words "twenty-five per cent.", the words "thirty per cent." had been substituted;'.

Amendment of section 80L.

16. In section 80L of the Income-tax Act, in sub-section (*1*), in clauses (*1*) and (*2*), for the words "seven thousand", the words "ten thousand" shall be substituted with effect from the 1st day of April, 1994.

Amendment of section 80M.

17. In section 80M of the Income-tax Act, in sub-section (*1*), the following proviso shall be inserted at the end, with effect from the 1st day of April, 1994, namely:—

"Provided that where any domestic company receives any income by way of dividend from the units of the Unit Trust of India established under the Unit Trust of India Act, 1963, such domestic company shall, subject to the aforesaid provisions, be eligible for deduction to the extent of— 52 of 2963.

(*a*) four-fifth of such income in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1994;

(*b*) two-fifth of such income in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1995,

and no deduction shall be allowed on such income in respect of the previous year relevant to the assessment year commencing on the 1st day of April, 1996 and any subsequent previous year.".

Amendment of section 80P.

18. In section 80P of the Income-tax Act, in sub-section (*3*),—

(*a*) after the words, figures and letter "or section 80-I", the words, figures and letters "or section 80-IA" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1991;

(*b*) after the word, figures and letter "section 80-I,", the word, figures and letters "section 80-IA," shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April 1991.

Insertion of new section 80V.

19. After section 80U of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1994, namely:—

Deduction from gross total income of the parent in certain cases.

"80V. Where a minor child, whose income is included in the total income of one of his parents under sub-section (*1A*) of section 64, is suffering from any disability of the nature specified in section 80U, then, in computing the total income of such parent, there shall be allowed from the gross total income of such parent a deduction of a sum to which such minor child would have been entitled under section 80U had the total income of such minor child been computed separately.".

Amendment of section 88B.

20. In section 88B of the Income-tax Act, with effect from the 1st day of April, 1994,—

(*a*) for the words "fifty thousand rupees", the words "seventy-five thousand rupees" shall be substituted;

(*b*) for the words "ten per cent.", the words "twenty per cent." shall be substituted.

21. After section 115AC of the Income-tax Act, the following section shall be inserted, namely:— Insertion of new section 115AD.

'115AD. (*1*) Where the total income of a Foreign Institutional Investor includes— Tax on income of Foreign Institutional Investors from securities or capital gains arising from their transfer.

(*a*) income received in respect of securities (other than units referred to in section 115AB) listed in a recognised stock exchange in India in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder; or 42 of 1956.

(*b*) income by way of short-term or long-term capital gains arising from the transfer of such securities,

the income-tax payable shall be the aggregate of—

(*i*) the amount of income-tax calculated on the income in respect of securities referred to in clause (*a*), if any, included in the total income, at the rate of twenty per cent.;

(*ii*) the amount of income-tax calculated on the income by way of short-term capital gains referred to in clause (*b*), if any, included in the total income, at the rate of thirty per cent.;

(*iii*) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (*b*), if any, included in the total income, at the rate of ten per cent; and

(*iv*) the amount of income-tax with which the Foreign Institutional Investor would have been chargeable had its total income been reduced by the amount of income referred to in clause (*a*) and clause (*b*).

(2) Where the gross total income of the Foreign Institutional Investor—

(*a*) consists only of income in respect of securities referred to in clause (*a*) of sub-section (*1*), no deduction shall be allowed to it under sections 28 to 44C or clause (*i*) or clause (*iii*) of section 57 or under Chapter VI-A;

(*b*) includes any income referred to in clause (*a*) or clause (*b*) of sub-section (*1*), the gross total income shall be reduced by the amount of such income and the deduction under Chapter VI-A shall be allowed as if the gross total income as so reduced, were the gross total income of the Foreign Institutional Investor.

(3) Nothing contained in the first and second provisos to section 48 shall apply for the computation of capital gains arising out of the transfer of securities referred to in clause (*b*) of sub-section (*1*).

Explanation.—For the purposes of this section,—

(*a*) the expression "Foreign Institutional Investor" means such investor as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(*b*) the expression "securities" shall have the meaning assigned to it in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956.'. 42 of 1956.

Amendment of section 115K.

22. In section 115K of the Income-tax Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*a*), for the words, brackets and figure "equal to seven per cent. of the amount specified in sub-section (5)", the words "of thirty-seven thousand rupees" shall be substituted with effect from the 1st day of April, 1994;

(*ii*) in clause (b),—

(*A*) after the words "eating place", the words "or of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle" shall be inserted;

(*B*) for the words "thirty-five", the words "thirty seven" shall be substituted with effect from the 1st day of April, 1994;

(*b*) in sub-section (*2*),—

(*i*) in clause (*b*),—

(*A*) in sub-clause (*i*), for the words "thirty-five", the words "thirty-seven" shall be substituted with effect from the 1st day of April, 1994;

(*B*) in sub-clause (*ii*),—

(*1*) after the words "eating place", the words "or from the business of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle" shall be inserted;

(*2*) for the words "thirty-five", the words "thirty-seven" shall be substituted with effect from the 1st day of April, 1994;

(*ii*) in clause (c), after the words "eating place", the words "or from the business of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle" shall be inserted;

(c) in sub-section (4),—

(*i*) in clause (*a*),—

(*A*) for the words "thirty-five", at both the places where they occur, the words "thirty-seven" shall be substituted with effect from the 1st day of April, 1994;

(*B*) after the words "eating place", the words "or of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle" shall be inserted;

(*ii*) in clause (*b*), the following proviso shall be inserted at the end, namely:—

"Provided that where such person is carrying on the business of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle, the statement in relation to the previous year relevant to the assessment year commencing on the 1st day of April, 1993, shall be submitted by him on or before the 30th day of June, 1993.";

(*d*) sub-section (*5*) shall be omitted with effect from the 1st day of April, 1994;

(*e*) for the existing *Explanation*, the following *Explanation* shall be substituted, namely:—

'*Explanation.*—For the purposes of this section,—

(*a*) the expressions "goods carriage", "motor cab", "maxicab" and "motor vehicle" shall have the meanings respectively assigned to them in section 2 of the Motor Vehicles Act, 1988; 59 of 1988.

(*b*) "vocation" includes tailoring, hair-cutting, clothes' washing, typing, photo-copying, repair work of any kind and other services of a similar nature.'.

Amendment of section 115N.

23. In section 115N of the Income-tax Act, fo the words "retail trade or eating place or vocation", the words "the business of retail trade or from the business of running an eating place or from the business of operating, hiring or leasing a goods carriage, a motor cab, a maxicab or a three-wheeled motor vehicle or from any vocation" shall be substituted.

Amendment of section 143.

24. In section 143 of the Income-tax Act, in sub-section (*1A*),—

(*i*) for clause (*a*), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1989, namely:—

"(*a*) Where as a result of the adjustments made under the first proviso to clause (*a*) of sub-section (*1*),—

(*i*) the income declared by any person in the return is increased; or

(*ii*) the loss declared by such person in the return is reduced or is converted into income,

the Assessing Officer shall,—

(*A*) in a case where the increase in income under sub-clause (*i*) of this clause has increased the total income of such person, further increase the amount of tax payable under sub-section (*1*) by an additional income-tax calculated at the rate of twenty per cent. on the difference between the tax on the total income so increased and the tax that would have been chargeable had such total income been

reduced by the amount of adjustments and specify the additional income-tax in the intimation to be sent under sub-clause (*i*) of clause (*a*) of sub-section (*1*);

(*B*) in a case where the loss so declared is reduced under sub-clause (*ii*) of this clause or the aforesaid adjustments have the effect of converting that loss into income, calculate a sum (hereinafter referred to as additional income-tax) equal to twenty per cent. of the tax that would have been chargeable on the amount of the adjustments as if it had been the total income of such person and specify the additional income-tax so calculated in the intimation to be sent under sub-clause (*i*) of clause (*a*) of sub-section (*1*);

(*C*) where any refund is due under sub-section (*1*), reduce the amount of such refund by an amount equivalent to the additional income-tax calculated under sub-clause (*A*) or sub-clause (*B*), as the case may be.";

(*ii*) the *Explanation* shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 1989.

Amendment of section 194.

25. In section 194 of the Income-tax Act, the second proviso shall be omitted with effect from the 1st day of June, 1993.

Amendment of section 196B.

26. In section 196B of the Income-tax Act, in the opening portion, for the words, figures and letters "Where any income is payable in respect of units referred to in section 115AB to an Offshore Fund", the following shall be substituted with effect from the 1st day of June, 1993, namely:—

"Where any income in respect of units referred to in section 115AB or by way of long-term capital gains arising from the transfer of such units is payable to an Offshore Fund".

Amendment of section 196B.

27. In section 196C of the Income-tax Act, in the opening portion, for the words, figures and letters "Where any income by way of interest or dividends is payable in respect of bonds or shares referred to in section 115AC to a non-resident", the following shall be substituted with effect from the 1st day of June, 1993, namely:—

"Where any income by way of interest or dividends in respect of bonds or shares referred to in section 115AC or by way of long-term capital gains arising from the transfer of such bonds or shares is payable to a non-resident".

Insertion of new section 196C.

28. After section 196C of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 1993, namely:—

Income of Foreign Institutional Investors from securities.

"196D. (*1*) Where any income in respect of securities referred to clause (*a*) of sub-section (*1*) of section 115AD is payable to a Foreign Instituuional Investor, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of twenty per cent.

(*2*) No deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a Foreign Institutional Investor.".

Amendment of section 197.

29. In section 197 of the Income-tax Act, in sub-section (*1*), after the figures "193,", the figures "194," shall be inserted with effect from the 1st day of June, 1993.

Amendment of sections 198 to 200, 202 to 203A and 205.

30. In section 198, 199, 200, 202, 203, 203A and 205 of the Income-tax Act, for the words, figures and letter "and section 196C", the words, figures and letters ", section 196C and section 196D" shall be substituted with effect from the 1st day of June, 1993.

Insertion of new Chapter XIX-B.

31. After Chapter XIX-A of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of June, 1993, namely:—

'CHAPTER XIX-B

ADVANCE RULINGS

Definitions.

245N. In this Chapter, unless the context otherwise requires,—

(*a*) "advance ruling" means the determination, by the Authority, of a question of law or fact specified in the application in relation to a transaction which has been undertaken, or is proposed to be undertaken, by the applicant;

(*b*) "applicant" means a non-resident making an application;

(*c*) "application" means an application made to the Authority under sub-section (*1*) of section 245Q;

(*d*) "Authority" means the Authority for Advance Rulings constituted under section 245-O;

(*e*) "Chairman" means the Chairman of the Authority;

(*f*) "Member" means a Member of the Authority and includes the Chairman.

Authority for Advance Rulings.

245-O. (*1*) The Central Government shall constitute an Authority for giving advance rulings, to be known as "Authority for Advance Rulings".

(*2*) The Authority shall consist of the following Members appointed by the Central Government, namely:—

(*a*) a Chairman, who is a retired Judge of the Supreme Court;

(*b*) an officer of the Indian Revenue Service who is qualified to be a member of the Central Board of Direct Taxes;

(*c*) an officer of the Indian Legal Service who is, or is qualified to be, an Additional Secretary to the Government of India.

(*3*) The salaries and allowances payable to, and the terms and conditions of service of, the Members shall be such as may be prescribed.

(4) The Central Government shall provide the Authority with such officers and staff as may be necessary for the efficient exercise of the powers of the Authority under this Act.

(5) The office of the Authority shall be located in Delhi.

Vacancies, etc., not to invalidate proceedings.

245P. No proceeding before, or pronouncement of advance ruling by, the Authority shall be questioned or shall be invalid on the ground merely of the existence of any vacancy or defect in the constitution of the Authority.

Application for advance ruling.

245Q. (1) An applicant desirous of obtaining an advance ruling under this Chapter may make an application in such form and in such manner as may be prescribed, stating the question on which the advance ruling is sought.

(2) The application shall be made in quadruplicate and be accompanied by a fee of two thousand five hundred rupees.

(3) An applicant may withdraw an application within thirty days from the date of the application.

Procedure on receipt of application.

245R. (1) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the Commissioner and, if necessary, call upon him to furnish the relevant records:

Provided that where any records have been called for by the Authority in any case, such records shall, as soon as possible, be returned to the Commissioner.

(2) The Authority may, after examining the application and the records called for, by order, either allow or reject the application:

Provided that the Authority shall not allow the application where the question raised in the application,—

(a) is already pending in the applicant's case before any income-tax authority, the Appellate Tribunal or any court;

(b) involves determination of fair market value of any property;

(c) relates to a transaction which is designed *prima facie* for the avoidance of income-tax:

Provided further that no aplication shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard:

Provided also that where the application is rejected, reasons for such rejection shall be given in the order.

(3) A copy of every order made under sub-section (2) shall be sent to the applicant and to the Commissioner.

(4) Where an application is allowed under sub-section (2), the Authority shall, after examining such further material as may be placed before it by the applicant or obtained by the Authority, pronounce its advance ruling on the question specified in the application.

(5) On a request received from the applicant, the Authority shall, before pronouncing its advance ruling, provide an opportunity to the applicant of being heard, either in person or through a duly authorised representative.

Explanation.—For the purposes of this sub-section, "authorised representative" shall have the meaning assigned to it in sub-section (2) of section 288, as if the applicant were an assessee.

(6) The Authority shall pronounce its advance ruling in writing within six months of the receipt of application.

(7) A copy of the advance ruling pronounced by the Authority, duly signed by the Members and certified in the prescribed manner shall be sent to the applicant and to the Commissioner, as soon as may be, after such pronouncement.

Applicability of advance ruling.

245S. (1) The advance ruling pronounced by the Authority under section 245R shall be binding only—

(a) on the applicant who had sought it;

(b) in respect of the transaction in relation to which the ruling had been sought; and

(c) on the Commissioner, and the income-tax authorities subordinate to him, in respect of the applicant and the said transaction.

(2) The advance ruling referred to in sub-section (1) shall be binding as aforesaid unless there is a change in law or facts on the basis of which the advance ruling has been pronounced.

Advance ruling to be void in certain circumstances.

245T. (1) Where the Authority finds, on a representation made to it by the Commissioner or otherwise, that an advance ruling pronounced by it under sub-section (6) of section 245R has been obtained by the applicant by fraud or misrepresentation of facts, it may, by order, declare such ruling to be void *ab initio* and thereupon all the provisions of this Act shall apply (after excluding the period beginning with the date of such advance ruling and ending with the date of order under this sub-section) to the applicant as if such advance ruling had never been made.

(2) A copy of the order made under sub-section (1) shall be sent to the applicant and the Commissioner.

Powers of the Authority.

245U. (1) The Authority shall, for the purpose of exercising its powers, have all the powers of a civil court under the Code of Civil Procedure, 1908 as are referred to in section 131 of this Act.

5 of 1908.

(2) The Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI, of the Code of Criminal Procedure, 1973 and every proceeding before the Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purpose of section 196, of the Indian Penal Code.

2 of 1974.

45 of 1860.

Procedure of Authority.

245V. The Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers under this Act.'.

Amendment of section 253.

32. In section 253 of the Income-tax Act, for sub-section (6), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 1992, namely:—

"(6) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, in the case of an appeal made on or after the 1st day of June, 1992, irrespective of the date of initiation of the assessment proceedings relating thereto, be accompanied by a fee of,—

(a) where the total income of the assessee as computed by the Assessing Officer in the case to which the appeal relates is one lakh rupees or less, two hundred and fifty rupees;

(b) where the total income of the assessee computed as aforesaid in the case to which the appeal relates is more than one lakh rupees, one thousand and five hundred rupees:

Provided that no such fee shall be payable in the case of an appeal referred to in sub-section (2) or a memorandum of cross-objections referred to in sub-section (4).".

Amendment of section 269UC.

33. In section 269UC of the Income-tax Act, in sub-section (1), for the words "three months", the words "four months" shall be substituted with effect from the 1st day of June, 1993.

Amendments of section 269UD.

34. In section 269UD of the Income-tax Act,—

(1) in sub-section (1),—

(a) in the opening portion, for the words "The appropriate authority", the words, brackets, figures and letters "Subject to the provisions of sub-sections (1A) and (1B), the appropriate authority" shall be substituted and shall be deemed to have been substituted with effect from the 17th day of November, 1992;

(b) the words "and for reasons to be recorded in writing," shall be omitted and shall be deemed to have been omitted with effect from the 17th day of November, 1992;

(c) after the first proviso, the following proviso shall be inserted with effect from the 1st day of June, 1993, namely:—

'Provided further that where the statement referred to in section 269UC in respect of any immovable property is received by the appropriate authority on or after the 1st day of June, 1993, the provisions of the first proviso shall have effect as if for the words "two months", the words "three months" had been substituted:';

(d) in the existing second proviso,—

(i) for the words "Provided further", the words "Provided also" shall be substituted with effect from the 1st day of June, 1993;

(ii) for the words "preceding proviso", the words "the first and second provisos" shall be substituted with effect from the 1st day of June, 1993;

(*e*) the following proviso shall be inserted at the end with effect from the 1st day of June, 1993, namely:—

"Provided also that the period of limitation referred to in the second proviso shall be reckoned, where any stay has been granted by any court against the passing of an order for the purchase of the immovable property under this Chapter, with reference to the date of vacation of the said stay.";

(2) after sub-section (*1*), the following sub-sections shall be inserted and shall be deemed to have been inserted with effect from the 17th day of November, 1992, namely:—

"(*1A*) Before making an order under sub-section (*1*), the appropriate authority shall give a reasonable opportunity of being heard to the transferor, the person in occupation of the immovable property if the transferor is not in occupation of the property, the transferee and to every other person whom the appropriate authority knows to be interested in the property.

(*1B*) Every order made by the appropriate authority under sub-section (*1*) shall specify the grounds on which it is made.".

Amendment of section 269UE.

35. In section 269UE of the Income-tax Act,—

(*a*) in sub-section (*1*),—

(*i*) for the words "free from all encumbrances", the words, brackets, figures and letters "in terms of the agreement for transfer referred to in sub-section (*1*) of section 269UC" shall be substituted and shall be deemed to have been substituted with effect from the 17th day of November, 1992;

(*ii*) the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 17th day of November, 1992, namely:—

"Provided that where the appropriate authority, after giving an opportunity of being heard to the transferor, the transferee or other persons interested in the said property, under sub-section (*1A*) of section 269UD, is of the opinion that any encumbrance on the property or leasehold interest specified in the aforesaid agreement for transfer is so specified with a view to defeat the provisions of this Chapter, it may, by order, declare such encumbrance or leasehold interest to be void and thereupon the aforesaid property shall vest in the Central Government free from such encumbrance or leasehold interest.";

(*b*) in sub-section (*2*), the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 17th day of November, 1992, namely:—

"Provided that the provisions of this sub-section and sub-sections (*3*) and (*4*) shall not apply where the person in possession of the immovable property, in respect of which an order under

sub-section (*1*) of section 269UD is made, is a *bona fide* holder of any encumbrance on such property or a *bona fide* lessee of such property, if the said encumbrance or lease has not been declared void under the proviso to sub-section (*1*) and such person is eligible to continue in possession of such property even after the transfer in terms of the aforesaid agreement for transfer.".

Amendment of section 273A.

36. In section 273A of the Income-tax Act, with effect from the 1st day of June, 1993,—

(*a*) in sub-section (*1*), the words "Chief Commissioner or" shall be omitted;

(*b*) in sub-section (*2*), for the words "the Chief Commissioner or Commissioner except with the previous approval of the Board", the words "the Commissioner except with the previous approval of the Chief Commissioner or Director-General, as the case may be" shall be substituted;

(c) in sub-section (4),—

(*i*) the words "Chief Commissioner or" shall be omitted;

(*ii*) in the proviso, for the words "the Chief Commissioner or Commissioner except with the previous approval of the Board", the words "the Commissioner except with the previous approval of the Chief Commissioner or Director-General, as the case may be" shall be substituted.

Insertion of Eighth Schedule.

37. After the Seventh Schedule to the Income-tax Act, the following Schedule shall be inserted with effect from the 1st day of April, 1994, namely:—

"THE EIGHTH SCHEDULE

[*See* section 80-IA (2) (*iv*) (*b*)]

LIST OF INDUSTRIALLY BACKWARD STATES AND UNION TERRITORIES

(1) Arunachal Pradesh
(2) Assam
(3) Goa
(4) Himachal Pradesh
(5) Jammu and Kashmir
(6) Manipur
(7) Meghalaya
(8) Mizoram
(9) Nagaland
(10) Sikkim
(11) Tripura
(12) Andaman and Nicobar Islands
(13) Dadra and Nagar Haveli
(14) Daman and Diu
(15) Lakshadweep
(16) Pondicherry.".

Wealth-tax

27 of 1957

38. In section 2 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), in clause (*ea*), in the *Explanation*, in clause (*b*), the words "or any land held by the assessee as stock-in-trade for a period of three years from the date of its acquisition by him" shall be inserted at the end with effect from the 1st day of April, 1994. Amendment of section 2.

39. In section 5 of the Wealth-tax Act, in sub-section (*1*), after clause (*v*), the following clause shall be inserted with effect from the 1st day of April, 1994, namely:— Amendment of section 5.

"(*vi*) one house or part of a house belonging to an individual or a Hindu undivided family;".

40. In section 18B of the Wealth-tax Act, with effect from the 1st day of June, 1993,— Amendment of section 18B.

(*a*) in sub-section (*1*), the words "Chief Commissioner or" shall be omitted;

(*b*) in sub-section (*2*), for the words "the Chief Commissioner or Commissioner, except with the previous approval of the Board", the words "the Commissioner except with the previous approval of the Chief Commissioner or Director-General, as the case may be" shall be substituted.

(c) in sub-section (*4*), the words "Chief Commissioner or" shall be omitted.

Gift-tax

18 of 1958.

41. In section 5 of the Gift-tax Act, 1958 (hereinafter referred to as the Gift-tax Act),— Amendment of section 5.

(*a*) in sub-section (*1*),—

(*i*) after clause (*iid*), the following clause shall be inserted, namely:—

'(*iie*) being an individual who is a non-resident Indian, once out of the moneys standing to his credit in an account opened and operated in accordance with the Non-resident (Non-repatriable) Rupee Deposit Scheme, 1992.

Explanation.—For the purposes of this clause, "non-resident Indian" shall have the meaning assigned to it in clause (*e*) of section 115C of the Income-tax Act;';

(*ii*) in clause (*vii*), for the words "ten thousand", the words "thirty thousand" shall be substituted with effect from the 1st day of April, 1994;

(*b*) in sub-section (*2*), for the words "twenty thousand", the words "thirty thousand" shall be substituted with effect from the 1st day of April, 1994.

42. In Schedule II to the Gift-tax Act, Amendment of Schedule II.

(*a*) in the opening portion, occurring after the heading "RULES FOR DETERMINING THE VALUE OF PROPERTY GIFTED",—

(*i*) for the words "The value of any property", the figures and words "1. Subject to the provisions of rules 2 to 7, the value of any property" shall be substituted;

(*ii*) for the words "the Wealth-tax Act", the words, figures and brackets "the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act)" shall be substituted; 27 of 1957.

(*b*) after rule 1 as so numbered, the following rules shall be inserted, namely:—

Quoted shares and debentures of companies.

'2. The value of an equity share or a preference share in any company or a debenture of any company which is a quoted share or a quoted debenture shall be taken as the value quoted in respect of such share or debenture on the date on which the gift was made or where there is no such quotation on such date, the quotation on the date closest to such date and immediately preceding such date.

Explanation.—The words and expressions used in this rule and rules 3 to 7 but not defined and defined in rule 2 of Schedule III to the Wealth-tax Act shall have the meanings respectively assigned to them in rule 2 of that Schedule.

Special provision for quoted shares of companies.

3. Notwithstanding anything in rule 2, the value of an equity share in any company which is a quoted share may, at the option of the assessee or a company, be taken on the basis of the average of the value quoted on the 31st day of March immediately preceding the assessment year and the values quoted in respect of such share on the said dates in relation to each of the immediately preceding nine assessment years, or where there is no such quotation on any of the aforesaid dates, the quotation on the date closest to the said date and immediately preceding such date:

Provided that where for any reason the value of such share is quoted in relation to lesser number of assessment years than the said nine assessment years, then the value or values so quoted shall be taken into account for the purposes of the aforesaid average:

Provided further that where the assessee opts for the average of the values so quoted, he shall get such values certified by an accountant and attach the certificate to the return of gifts in respect of the relevant assessment year.

Explanation.— For the purposes of this rule, "accountant" shall have the same meaning as in the *Explanation* below sub-section (*2*) of section 288 of the Income-tax Act.

Unquoted preference shares.

4. (*1*) Subject to the provisions of sub-rule (*2*), the value of an unquoted preference share in any company shall,—

(*a*) where the preference share is issued before the date on which the gift was made at a rate of dividend of not less than eight per cent., be the paid-up value of such share; and

(*b*) where the preference share is issued before the said date at a rate of dividend of less than eight per cent., be the adjusted paid-up value of such share.

(*2*) Where no dividend has been paid in respect of an unquoted preference share by any company continuously for not

less than three accounting years ending on the date on which the gift was made or, in a case where the accounting year of the company does not end on that date, for not less than three continuous accounting years ending on a date immediately before the date on which the gift was made, the paid-up value or, as the case may be, the adjusted paid-up value shall be reduced—

(*a*) in the case of a non-cumulative preference share, as indicated in the Table below:—

TABLE

Number of accounting years ending on the date on which the gift was made or, in a case where the accounting year does not end on that date, the number of accounting years ending on a date immediately preceding the date on which the gift was made, for which no dividend has been paid	Rate of reduction
(1)	(2)
Three years	10% of the paid-up value or the adjusted paid-up value, as the case may be;
Four years	20% of the paid-up value or the adjusted paid-up value, as the case may be;
Five years	30% of the paid-up value or the adjusted paid-up value, as the case may be;
Six years and above	40% of the paid-up value or the adjusted paid-up value, as the case may be;

(*b*) in the case of a cumulative preference share, by one-half of the rates specified in the aforesaid Table.

Explanation.—For the purposes of this rule, "adjusted paid-up value", in relation to a preference share, means an amount which bears to the paid-up value of the preference share the same proportion as the stipulated rate of dividend [being the rate of dividend on the preference share specified in the terms of issue of such share, and in a case where such dividend is required to be increased under the provisions of section 3 of the Preference Shares (Regulation of Dividends) Act, 1960, the rate of dividend as so increased] on such share bears to the rate of eight per cent.

63 of 1960.

Unquoted equity shares in companies other than investment companies.

5. (1) The value of an unquoted equity share in any company, other than an investment company, shall be determined in the manner set out in sub-rule (2).

(2) The value of all the liabilities as shown in the balance sheet of such company shall be deducted from the value of all its assets shown in that balance sheet; the net amount so arrived at shall be divided by the total amount of its paid-up equity share capital as shown in the balance sheet; the result multiplied by the paid-up value of each equity share shall be the break-up value of each unquoted equity share, and an amount equal to eighty per cent. of the break-up value so determined shall be the value of the unquoted equity share for the purposes of this Act.

(3) For the purposes of sub-rule (2),—

(a) the following amounts shown as assets in the balance sheet shall not be treated as assets, namely:—

(i) any amount paid as advance tax under the Income-tax Act;

(ii) any amount shown in the balance sheet including the debit balance of the profit and loss account or the profit and loss appropriation account which does not represent the value of any asset;

(b) the following amounts shown as liabilities in the balance sheet shall not be treated as liabilities, namely:—

(i) the paid-up capital in respect of equity shares;

(ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date on which the gift was made at a general body meeting of the company;

(iii) reserves, by whatever name called, other than those set apart towards depreciation;

(iv) credit balance of the profit and loss account;

(v) any amount representing provision for taxation, other than the amount referred to in sub-clause (i) of clause (a), to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

(vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.

Explanation.—For the purposes of this rule, "balance sheet", in relation to any company, means the balance sheet of such company (including the Notes annexed thereto and forming part of the accounts) as drawn up on the date on which the gift was made and, where there is no such balance sheet, the balance sheet drawn up on a date immediately preceding that date, and, in the absence of both, the balance sheet drawn up on a date immediately after the date on which the gift was made.

Unquoted equity shares in investment companies.

6. (1) Subject to rule 7, the value of an unquoted equity share in an investment company shall be determined in the manner specified in sub-rule (2).

(2) The value of all the liabilities as shown in the balance sheet of such company shall be deducted from the value of all its assets shown in that balance sheet; the net amount so arrived at shall be divided by the total paid-up equity share capital of the company as shown in the balance sheet, and the result multiplied by the paid-up value of each equity share shall be the value of the unquoted equity share in that investment company for the purposes of this Act.

(3) For the purposes of sub-rule (2), the value of an asset disclosed in the balance sheet of the company shall be taken to be its value determined in accordance with the rules as applicable to that particular asset and, in the absence of any such rule, the value of such asset shall be its value as determined under rule 20 of Schedule III to the Wealth-tax Act.

(4) For the purposes of this rule,—

(a) "balance sheet" has the same meaning as in rule 5;

(b) the amounts referred to in sub-rule (3) of rule 5 shall not be treated as assets or liabilities.

(5) For the purpose of facilitating the valuation of unquoted equity shares under this rule and rule 7, the company concerned shall have such valuation made by its auditors appointed under section 224 of the Companies Act, 1956, and a certificate of the auditors relating to such valuation in the prescribed form shall be furnished to the Assessing Officer and the shareholders of the company; and the valuation made by the auditors shall be taken into account in the assessment of the shareholders of the company.

1 of 1956.

Unquoted equity shares in interlocked companies.

7. (1) The value of an unquoted equity share in one of the two interlocked companies held by the other interlocked company for the purposes of rule 6 shall be equal to the paid-up value of such share or the value determined under sub-rule (2), whichever is higher.

(2) For the purpose of sub-rule (1), the aggregate value of all the equity shares in an interlocked company shall be arrived at by multiplying the maintainable profits of such company by—

(a) the fraction 100/8.5, in a case where the gross total income of the company consists, to the extent of not less than 51 per cent. of income chargeable under the head "Income from house property" under the Income-tax Act; or

(b) the fraction 100/10, in the case of any other interlocked company,

and the resultant amount divided by the number of such equity shares shall be the value of such an equity share in such company.

(3) The maintainable profits of the company, for the purpose of sub-rule (2), shall be computed in the following manner, namely:—

(a) the book profits of the company for the five accounting years of the company immediately preceding the date on which the gift was made shall first be ascertained;

(b) adjustments shall be made to the book profits for each of the said five years for all non-recurring and extraordinary items of income and expenditure and losses;

(*c*) adjustments shall be made to the book profits for expenditure which is not of a revenue nature but is debited in the accounts and for receipts which are in the nature of revenue receipts but are not accounted for in the profit and loss account;

(*d*) any development rebate or investment allowance debited in the books of account shall be added back to the book profits;

(*e*) the tax liability of the company on the book profits, arrived at after the adjustments at items (*a*), (*b*), (*c*) and (*d*), shall be deducted from such book profits;

(*f*) amounts required for paying dividends on preference share or shares with prior rights shall be deducted from such book profits;

(*g*) the aggregate of the book profits for the five accounting years so arrived at, divided by 5, shall be the maintainable profits of the company.

Explanation.—For the purposes of this rule, "interlocked companies" means any two investment companies each of which holds shares in the other company.'.

CHAPTER IV

INDIRECT TAXES

Customs

Amendment of Act 52 of 1962.

43. In the Customs Act, 1962,—

(*1*) in section 129A,—

(*a*) in sub-section (*1*), in the second proviso, for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted;

(*b*) for sub-section (*6*), the following sub-section shall be substituted, namely:—

"(*6*) An appeal to the Appellate Tribunal shall be in such form and shall be verified in such manner as may be specified by rules made in this behalf and shall, in the case of an appeal made on or after the 1st day of June, 1993, irrespective of the date of demand of duty and interest or of levy of penalty in relation to which the appeal is made, be accompanied by a fee of,—

(*a*) where the amount of duty and interest demanded and penalty levied by any officer of customs in the case to which the appeal relates is one lakh rupees or less, two hundred rupees;

(*b*) where the amount of duty and interest demanded and penalty levied by any officer of customs in the case to which the appeal relates is more than one lakh rupees, one thousand rupees:

Provided that no such fee shall be payable in the case of an appeal referred to in sub-section (*2*) or a memorandum of cross-objections referred to in sub-section (*4*).";

(*2*) in section 129C, in sub-section (*4*), for the words "fifty thousand rupees", the words "one lakh rupees" shall be substituted.

Amendment of Act 51 of 1975.

44. The Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) shall be amended in the manner specified in the Second Schedule.

Excise

Amendment of Act 1 of 1944.

45. In the Central Excises and Salt Act, 1944,—

(*1*) in section 35B,—

(*a*) in sub-section (*1*), in the second proviso, for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted;

(*b*) for sub-section (*6*), the following sub-section shall be substituted, namely:—

"(*6*) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, in the case of an appeal made on or after the 1st day of June, 1993, irrespective of the date of demand of duty or of levy of penalty in relation to which the appeal is made, be accompanied by a fee of,—

(*a*) where the amount of duty demanded and penalty levied by any Central Excise Officer in the case to which the appeal relates is one lakh rupees or less, two hundred rupees;

(*b*) where the amount of duty demanded and penalty levied by any Central Excise Officer in the case to which the appeal relates is more than one lakh rupees, one thousand rupees:

Provided that no such fee shall be payable in the case of an appeal referred to in sub-section (*2*) or a memorandum of cross-objections referred to in sub-section (*4*).";

(*2*) in section 35D, in sub-section (*3*), for the words "fifty thousand rupees", the words "one lakh rupees" shall be substituted.

Amendment of Act 5 of 1986.

46. The Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act) shall be amended in the manner specified in the Third Schedule.

THE FIRST SCHEDULE

(*See* section 2)

PART I

INCOME-TAX

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 28,000	*Nil;*
(2) where the total income exceeds Rs. 28,000 but does not exceed Rs. 50,000	20 per cent. of the amount by which the total income exceeds Rs. 28,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 4,400 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 19,400 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall,—

(*i*) in the case of every individual or Hindu undivided family or association of persons or body of individuals referred to in section 88 having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under that section, and the income-tax as so reduced;

(*ii*) in the case of every person, other than those mentioned in item (*i*), having a total income exceeding one hundred thousand rupees,

be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1993 exceeds Rs. 28,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 18,000	*Nil;*
(2) where the total income exceeds Rs. 18,000 but does not exceed Rs. 1,00,000	30 per cent. of the amount by which the total income exceeds Rs. 18,000;
(3) where the total income exceeds Rs. 1,00,000	Rs. 24,600 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A and the income-tax as so reduced be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	10 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000 ;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 35 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	40 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every firm having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income	50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—	
(1) where the company is a company in which the public are substantially interested	45 per cent. of the total income;
(2) where the company is not a company in which the public are substantially interested	50 per cent. of the total income.
II. In the case of a company other than a domestic company,—	
(*i*) on so much of the total income as consists of—	
(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or	
(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,	
and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
(*ii*) on the balance, if any, of the total income	65 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of this Paragraph or section 112 shall, in the case of every domestic company having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of fifteen per cent. of such income-tax.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Rate of income-tax
1. In the case of a person other than a company—	
(*a*) where the person is resident in India—	
(*i*) on income by way of interest other than "Interest on securities"	10 per cent.;
(*ii*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*iii*) on income by way of winnings from horse races	40 per cent.;
(*iv*) on income by way of insurance commission	10 per cent.;
(*v*) on income by way of interest payable on—	10 per cent.;
(*A*) any security, other than a tax-free security, of the Central or a State Government;	
(*B*) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(*C*) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and any rules made thereunder;	
(*vi*) on any other income (excluding interest payable on a tax-free security)	20 per cent.;
(*b*) where the person is not resident in India—	
(*i*) in the case of a non-resident Indian—	
(*A*) on investment income and long-term capital gains	20 per cent.;
(*B*) on income by way of interest payable on a tax-free security	15 per cent.;
(*C*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;

	Rate of income-tax
(*D*) on income by way of winnings from horse races	40 per cent.;
(*E*) on the whole of other income	income-tax at 30 per cent. of the amount of income or income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;
(*ii*) in the case of any other person—	
(*A*) on income by way of interest payable on a tax-free security	15 per cent.;
(*B*) on income by way of winnings from lotteries and crossword puzzles	40 per cent.;
(*C*) on income by way of winnings from horse races	40 per cent.;
(*D*) on income by way of long-term capital gains,—	
(*1*) in the case of individuals and Hindu undivided families	20 per cent.;
(*2*) in any other case [except a company referred to in sub-item (*b*) of item 2]	30 per cent.;
(*E*) on the whole of the other income	income-tax at 30 per cent. of the amount of income or income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher.
2. In the case of a company—	
(*a*) where the company is a domestic company—	
(*i*) on income by way of interest other than "Interest on securities"	20 per cent.;

(*ii*) on income by way of winnings from lotteries and crossword puzzles — 40 per cent.;

(*iii*) on income by way of winnings from horse races — 40 per cent.;

(*iv*) on any other income (excluding interest payable on tax-free security) — 21·5 per cent.;

(*b*) where the company is not a domestic company—

(*i*) on income by way of dividends payable by any domestic company — 25 per cent.;

(*ii*) on income by way of winnings from lotteries and crossword puzzles — 40 per cent.;

(*iii*) on income by way of winnings from horse races — 40 per cent.;

(*iv*) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency — 25 per cent.;

(*v*) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (*1A*) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (*1A*) of section 115A of the Income-tax Act, to a person resident in India — 30 per cent.;

(*vi*) on income by way of royalty [not being royalty of the nature referred to in sub-item (*b*)(*v*)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(*A*) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 — 50 per cent.;

(*B*) where the agreement is made after the 31st day of March, 1976 — 30 per cent.;

(*vii*) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time

being in force, of the Government of India, the agreement is in accordance with that policy—

	(*A*) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;
	(*B*) where the agreement is made after the 31st day of March, 1976	30 per cent.;
(*viii*)	on income by way of interest payable on a tax-free security	44 per cent.;
(*ix*)	on income by way of long-term capital gains	40 per cent ;
(*x*)	on any other income	65 per cent.

Explanation.—For the purposes of item 1(*b*) (*i*) of this Part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(*a*) sub-item (*a*) of item 1 of this Part shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax, and

(*b*) sub-item (*a*) of item 2 of this Part shall be increased by a surcharge, calculated at the rate of fifteen per cent. of such income-tax.

PART III

RATES FOR CALCULATING OR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING "ADVANCE TAX"

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance-tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or sub-section (*1A*) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge on such "advance tax" in respect of any income chargeable to tax under section 115B], shall be calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not

or every artificial juridical person referred to in sub-clause (*vii*) of clause (*31*) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 30,000	*Nil;*
(2) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	20 per cent. of the amount by which the total income exceeds Rs. 30,000;
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 4,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 50,000;
(4) where the total income exceeds Rs. 1,00,000	Rs. 19,000 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall,—

(*i*) in the case of every individual or Hindu undivided family or association of persons or body of individuals referred to in section 88 having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A, and the income-tax as so reduced,

(*ii*) in the case of every person, other than those mentioned in item (*i*), having a total income exceeding one hundred thousand rupees,

be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1994 exceeds Rs. 30,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 18,000	*Nil;*
(2) where the total income exceeds Rs. 18,000 but does not exceed Rs. 1,00,000	30 per cent. of the amount by which the total income exceeds Rs. 18,000;
(3) where the total income exceeds Rs. 1,00,000	Rs. 24,600 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be reduced by the amount of rebate of income-tax calculated under Chapter VIII-A and the income-tax as so reduced, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that no such surcharge shall be payable by a non-resident.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	10 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 3,000 *plus* 35 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph or section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income	40 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every firm having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph D

In the case of every local authority,--

Rate of income-tax

On the whole of the total income	30 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified or in section 112 shall, in the case of every person having a total income exceeding one hundred thousand rupees, be increased by a surcharge for purposes of the Union calculated at the rate of twelve per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested	45 per cent. of the total income;
(2) where the company is not a company in which the public are substantially interested	50 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(*i*) on so much of the total income as consists of—

(*a*) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(*b*) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government	50 per cent.;
(*ii*) on the balance, if any, of the total income	65 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the provisions of this Paragraph or section 112 shall, in the case of every domestic company having a total income exceeding seventy-five thousand rupees, be increased by a surcharge calculated at the rate of fifteen per cent. of such income-tax.

PART IV

[*See* section 2(9)(*d*)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (*a*) of clause (*1A*) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (*2*) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (*3*) and (*4*) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (*b*) or sub-clause (*c*) of clause (*1A*) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the

receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (*3*) and (*4*) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (*c*) of clause (*1A*) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (*c*) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.— Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association or persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(*1*) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1993, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1985 or the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the

1st day of April, 1992, is a loss, then, for the purposes of sub-section (2) of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1985, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the first day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the first day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 or the 1st day of April, 1992,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1992, and

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1992,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1993.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1994 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1986 or the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993, is a loss, then, for the purposes of sub-section (8) of section 2 of this Act,—

(*i*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1986, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1987 or the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993,

(*ii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1987, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1988 or the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993,

(*iii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1988, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1989 or the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993,

(*iv*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1989, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1990 or the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993,

(*v*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1990, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1991 or the 1st day of April, 1992 or the 1st day of April, 1993,

(*vi*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1991, to the

extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1992 or the 1st day of April, 1993,

(*vii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1992, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1993, and

(*viii*) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1993,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1994.

(*3*) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (*1*) or sub-rule (*2*) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (*1*) or, as the case may be, sub-rule (*2*).

(*4*) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to the Finance Act, 1985 (32 of 1985), or of the First Schedule to the Finance Act, 1986 (23 of 1986), or of the First Schedule to the Finance Act, 1987 (11 of 1987), or of the First Schedule to the Finance Act, 1988 (26 of 1988), or of the First Schedule to the Finance Act, 1989 (13 of 1989), or of the First Schedule to the Finance Act, 1990 (12 of 1990), or of the First Schedule to the Finance (No. 2) Act, 1991 (49 of 1991), or of the First Schedule to the Finance Act, 1992 (18 of 1992), shall be set off under sub-rule (*1*) or, as the case may be, sub-rule (*2*).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(*See* section 43)

In the First Schedule to the Customs Tariff Act,—

(*1*) in Chapter 1, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*2*) in Chapter 4, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*3*) in Chapter 5,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 0507·10), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 0507.10, for the entries in column (4) and column (5), the entries "85%" and "75%" shall respectively be substituted;

(*4*) in Chapter 7, for the entries in column (4) and column (5), occurring against all the sub-heading Nos., the entries "85%" and "75%" shall respectively be substituted;

(*5*) In Chapter 8, for the entries in column (4) and column (5), occurring against all the sub-heading Nos. (except sub-heading Nos. 0802·11, 0802·12, 0802·90, 0804.10 and 0806·20), the entries "85%" and "75%" shall respectively be substituted;

(*6*) in Chapter 9,—

(*i*) in sub-heading Nos. 0901.11, 0901·12, 0901·21, 0901·22, 0901·30 and 0901·40, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "85% less 13 paise per Kg." shall respectively be substituted;

(*ii*) in sub-heading Nos. 0902.10, 0902.20, 0902·30, 0902·40 and 0903·00, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "85% less 26 paise per Kg." shall respectively be substituted;

(*iii*) in sub-heading Nos. 0904.11 and 0904.12, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "77·5%" shall respectively be substituted;

(*iv*) in sub-heading Nos. 0904·20 and 0905.00, for the entry in column (4), the entry "85%" shall be substituted;

(*v*) in sub-heading Nos. 0908·10 and 0908.30, for the entries in column (4), and column (5) occurring against each of them, the entries "85%" and "77.5%" shall respectively be substituted;

(*vi*) in sub-heading No. 0908·20, for the entry in column (4), the entry "85%" shall be substituted;

(*vii*) in sub-heading Nos. 0909·10, 0909·20, 0909·30, 0909·40, 0909·50, 0910·10, 0910·20, 0910.30, 0910.40, 0910·50, 0910·91 and 0910·99, for the entry in column (4), the entry "85%" shall be substituted;

(*7*) in Chapter 12,—

(*i*) in sub-heading Nos. 1201·00, 1202·10, 1202·20, 1203·00, 1204·00, 1205·00, 1206·00, 1207·10, 1207·20, 1207·30, 1207.40, 1207·50, 1207·60, 1207·91, 1207·92 and 1207·99, for the entries in column (4), and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*ii*) in sub-heading Nos. 1208·10, 1208·90, 1209·11, 1209·19, 1209·21, 1209·22, 1209·23, 1209·24, 1209·25, 1209·26, 1209·29, 1209·30, 1209·91, 1209·99, 1210·10, 1210·20, 1211·10, 1211·20, 1211·90, 1212·10, 1212·20 1212·30, 1212·91, 1212·92, 1212·99, 1213·00, 1214·10 and 1214·90, for the entry in column (4), the entry "85%" shall be substituted;

(*8*) in Chapter 13,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 1301·20), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 1301·20, for the entries in column (4) and column (5), the entries "85%" and "75%" shall respectively be substituted;

(*9*) in Chapter 15,—

(*i*) in sub-heading Nos. 1501·00, 1502·00, 1503·00, 1504.10, 1504·20, 1504·30, 1505·10, 1505·90 and 1506·00, for the entry in column (4), the entry "85%"shall be substituted;

(*ii*) in sub-heading Nos. 1507·10, 1507·90, 1508·10, 1508·90, 1509·10, 1509·90, 1510·00, 1511·10, 1511·90, 1512·11, 1512·19, 1512·21, 1512·29, 1513·11, 1513·19, 1513·21, 1513·29, 1514·10, 1514·90, 1515·11, 1515·19, 1515·21, 1515·29, 1515·30, 1515·40, 1515·50, 1515·60 and 1515·90, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*iii*) in sub-heading Nos. 1516·10, 1516·20, 1517·10, 1517·90, 1518·00, 1519·11, 1519·12, 1519·13, 1519·19, 1519·20, 1520·10, 1520·90, 1521·10, 1521·90 and 1522·00, for the entry in column (4), the entry "85%" shall be substituted;

(*10*) in Chapter 16, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*11*) in Chapter 17, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substitu ted;

(*12*) in Chapter 18, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*13*) in Chapter 19, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*14*) in Chapter 20, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*15*) in Chapter 21, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*16*) in Chapter 22,—

(*i*) in sub-heading Nos. 2201·10, 2201·90, 2202·10 and 2202·90, for the entry in column (4), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 2203·00, for the entry in column (4), the entry "145%" shall be substituted;

(*iii*) in sub-heading Nos. 2204·10, 2204·21 and 2204·29, for the entry in column (4), the entry "Rs. 100 per litre or 315%, whichever is higher" shall be substituted;

(*iv*) in sub-heading No. 2204·30, for the entry in column (4), the entry "145%" shall be substituted;

(*v*) in sub-heading Nos. 2205·10 and 2205·90, for the entry in column (4), the entry "Rs. 100 per litre or 315%, whichever is higher" shall be substituted;

(*vi*) in sub-heading No. 2206·00, for the entry in column (4), the entry "145%" shall be substituted;

(*vii*) in sub-heading No. 2207·10, for the entry in column (4), the entry "Rs. 300 per litre or 400%, whichever is higher" shall be substituted;

(*viii*) in sub-heading No. 2207·20, for the entry in column (4), the entry "105%" shall be substituted;

(*ix*) in sub-heading Nos. 2208·10, 2208·20, 2208·30, 2208·40, 2208·50 and 2208·90, for the entry in column (4), the entry "Rs. 300 per litre or 400%, whichever is higher" shall be substituted;

(*x*) in sub-heading No. 2209·00, for the entry in column (4), the entry "85%" shall be substituted;

(*17*) in Chapter 23, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*18*) in Chapter 24, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*19*) in Chapter 25,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2504·10, 2504·90 and 2527·00), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 2504·10, 2504·90 and 2527·00, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*20*) in Chapter 26, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*21*) in Chapter 27, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 2716·00), the entry "85%" shall be substituted;

(*22*) in Chapter 28, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*23*) in Chapter 29,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 2917·37, 2933·71, 2936·10, 2936·21, 2936·22, 2936·23, 2936·24, 2936·25, 2936·26, 2936·27, 2936·28, 2936·29, 2936·90, 2937·10, 2937·21, 2937·22, 2937·29, 2937·91, 2937·92, 2937·99, 2939·40, 2939·50, 2941·10, 2941·20, 2941·30, 2941·40, 2941·50 and 2941·90), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 2917·37, 2933·71, 2937·10, 2937·21, 2937·22, 2937·29, 2937·91, 2937·92, 2937·99, 2939·40 and 2939·50, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*iii*) in sub-heading Nos., 2936·10, 2936·21, 2936·22, 2936·23, 2936·24, 2936·25, 2936·26, 2936·27, 2936·28, 2936·29, 2936·90, 2941·10, 2941·20, 2941·30, 2941·40, 2941·50 and 2941·90, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "79%" shall respectively be substituted;

(*24*) in Chapter 30,—

(*i*) in sub-heading Nos. 3001·10 3001·20, 3001·90, 3002·10, 3002·20, 3002·31, 3002·39, 3002·90, 3003·10, 3003·20, 3003·31, 3003·39, 3003·40, 3003·90, 3004·10, 3004·20, 3004·31, 3004·32, 3004·39, 3004·40, 3004·50 and 3004·90, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*ii*) in sub-heading Nos. 3005·10, 3005·90, 3006·10, 3006·20, 3006·30, 3006·40, 3006·50 and 3006·60, for the entry in column (4), the entry "85%" shall be substituted;

(*25*) in Chapter 31, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3102·21, 3105·20, 3105·51, 3105·59, 3105·60 and 3105·90), the entry "85%" shall be substituted;

(*26*) in Chapter 32,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 3201·90), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 3201·90, for the entries in column (4) and column (5), the entries "85%" and "75%" shall respectively be substituted;

(*27*) in Chapter 33, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*28*) in Chapter 34,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3402·11, 3402·12, 3402·13 and 3402·19), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 3402·11, 3402·12, 3402·13 and 3402·19, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*29*) in Chapter 35, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*30*) in Chapter 36, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*31*) in Chapter 37, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*32*) in Chapter 38,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 3801·10, 3802·10, 3812·10, 3815·11 and 3815·12), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 3801·10, 3802·10, 3812·10, 3815·11 and 3815·12, for the entries in column (4) and column (5) occurring against each of them, the entries "85%" and "75%" shall respectively be substituted;

(*33*) in Chapter 39, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*34*) in Chapter 40,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 4010·10, 4010·91 and 4010·99), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 4010·10, 4010·91 and 4010·99, for the entry in column (4), the entry "70%" shall be substituted;

(*35*) in Chapter 41,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 4101·10, 4101·21, 4101·22, 4101·29, 4101·30, 4101·40, 4102·10, 4102·21, 4102·29, 4103·10, 4103·20 and 4103·90), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 4101·10, 4101·21, 4101·22, 4101·29, 4101·30, 4101·40, 4102·10, 4102·21, 4102·29, 4103·10, 4103·20 and 4103·90, for the entry in column (4), the entry "45%" shall be substituted;

(*36*) in Chapter 42, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*37*) in Chapter 43, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*38*) in Chapter 44, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*39*) in Chapter 45, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*40*) in Chapter 46, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*41*) in Chapter 47, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*42*) in Chapter 48, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*43*) in Chapter 49,—

(*i*) in sub-heading Nos. 4901.10, 4901.91, 4901·99, 4902·10, 4902·90, 4903·00, 4904·00, 4905·10, 4905·91 4905·99 and 4906·00, for the entry in column (4), the entry "45%" shall be substituted;

(*ii*) in sub-heading Nos. 4907·00, 4908.10, 4908.90, 4909·00, 4910.00, 4911 10, 4911.91 and 4911.99, for the entry in column (4), the entry "85% shall be substituted;

(*44*) in Chapter 50, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No 5002·00), the entry "85%" shall be substituted;

(*45*) in Chapter 51, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be subs ituted ;

(*46*) in Chapter 52,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 5201.00), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 5201·00, for the entry in column (4), the entry "45%" shall be substituted;

(*47*) in Chapter 53, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*48*) in Chapter 54, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*49*) in Chapter 55, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*50*) in Chapter 56, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*51*) in Chapter 57, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*52*) in Chapter 58, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*53*) in Chapter 59, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*54*) in Chapter 60, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*55*) in Chapter 61, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*56*) in Chapter 62, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*57*) in Chapter 63, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*58*) in Chapter 64, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*59*) in Chapter 65, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*60*) in Chapter 66, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*61*) in Chapter 67, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*62*) in Chapter 68, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*63*) in Chapter 69, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*64*) in Chapter 70, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*65*) in Chapter 71, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*66*) in Chapter 72, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*67*) in Chapter 73, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*68*) in Chapter 74, for the entry in column (4) occurring against all the sub-heading Nos., the entry "80%" shall be substituted;

(*69*) in Chapter 75, for the entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*70*) in Chapter 76, for the entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*71*) in Chapter 78, for the entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*72*) in Chapter 79, for the entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*73*) in Chapter 80, for the entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*74*) in Chapter 81, for he entry in column (4) occurring against all the sub-heading Nos., the entry "70%" shall be substituted;

(*75*) in Chapter 82, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*76*) in Chapter 83, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*77*) in Chapter 84,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. [except sub-heading Nos. specified against sub-items (*ii*) to (*iv*) of this item and sub-heading Nos. 8482.10, 8482.20, 8482.30, 8482.40, 8482.50, 8482.80, 8482.91 and 8482.99], the entry "80%" shall be substituted;

(*ii*) in sub-heading Nos. 8407·10, 8407·21, 8407·29, 8407·31, 8407·32, 8407·33, 8407·34, 8407·90, 8408·10, 8408·20, 8408·90, 8409·10, 8409·91, 8409·99, 8413·11, 8413·19, 8413·20, 8413·30, 8413 91, 8414·30, 8414·51, 8414·59, 8414 60, 8414·80, 8414·90, 8415·10, 8415·81, 8415·82, 8415·83, 8415·90, 8418·21, 8418·22, 8418·29, 8418·30, 8418·40, 8418·50, 8418·91, 8418·99, 8422·11, 8422·90, 8423·10, 8423·81, 8423·82, 8423·89, 8424·10, 8450·11, 8450·12, 8450·19, 8450 20, 8450·90, 8452·10, 8452·90, 8469·10, 8469·21, 8469·29, 8469·31, 8469·39, 8470·10, 8470·21, 8470·29, 8470·30, 8470·40, 8470·50, 8470·90, 8471·10, 8471·20, 8471·91, 8471·92, 8471·93, 8471·99, 8472·10, 8472·20, 8472·30, 8472·90, 8473·30, 8476·11, 8476·19, 8481·20, 8481 30, 8481 40, 8481.80, 8481.90, 8483 10, 8483·20 8483·30, 8483·40, 8483·50, 8483·60, 8483·90, 8484·10, 8484·90, 8485·10, and 8485·90, for the entry in column (4), the entry "85%" shall be substituted,

(*iii*) in sub-heading Nos. 8442 50, 8448 20, 8448·31, 8448·32, 8448·33, 8448·39, 8448·41, 8448·42 and 8448 49, for the entry in column (4), the entry "60%" shall be substituted,

(*v*) in sub-heading No. 8481 10, for the entry in column (4), the entry "70%" shall be substituted;

(*78*) in Chapter 85,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. [except sub-heading Nos. specified against sub-items (*ii*) and (*iii*) of this item], the entry "85%" shall be substituted,

(*ii*) in sub-heading Nos. 8501·20, 8501 31, 8501·32, 8501·33, 8501·34, 8501·40, 8501·51, 8501.52, 8501·53, 8501·61, 8501·62, 8501·63, 8501·64, 8502·11, 8502.12, 8502·13, 8502·20, 8502·30, 8502·40, 8503·00, 8504 21, 8504.22, 8504 23, 8504·31, 8504·32, 8504·33, 8504·34, 8504·40, 8504·50, 8504·90, 8505·20, 8505·30, 8505·90, 8508.10, 8508·20, 8508·80, 8508·90, 8514.10, 8514·20, 8514·30, 8515·11, 8515·19, 8515·21, 8515·29, 8515·31, 8515·39, 8515.80, 8515·90, 8516·90, 8530·10, 8530·80, 8530·90, 8535·10, 8535·21, 8535·29, 8535·30, 8535.40 and 8535·90, for the entry in column (4), the entry "80%" shall be substituted;

(*iii*) in sub-heading Nos. 8514·40 and 8514·90, for the entry in column (4), the entry "60%" shall be substituted;

(*79*) in Chapter 86, -

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 8601·10, 8601·20, 8602·10 and 8602·90), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 8601·10, 8601 20, 8602·10 and 8602·90, for the entry in column (4), the entry "60%" shall be substituted;

(*80*) in Chapter 87, for the entry in column (4) occurring against all the sub-heading Nos (except sub-heading No. 8710·00), the entry "85%" shall be substituted;

(*81*) in Chapter 88, for the entry in column (4) occurring against all the sub-heading Nos , the entry "85%" shall be substituted;

(*82*) in Chapter 89, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 8908·00), the entry "85%" shall be substituted;

(*83*) in Chapter 90,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos [except sub-heading Nos. 9021·11, 9021·19, 9021·21, 9021 29, 9021·30, 9021.40, 9021.50, 9021.90 and sub-heading Nos. specified against sub-items (*ii*) and (*iii*) of this item], the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 9011.10, 9011.20, 9011·80, 9012·10, 9014·10 9014·20, 9014·80, 9015.10, 9015·20, 9015·30, 9015·40, 9015·80 9017·10, 9017·20, 9017·30, 9017·80, 9024·10, 9024·80, 9025·11 9025·19, 9025·20, 9025·80, 9026·10, 9026·20, 9026·80, 9027·10, 9027.20, 9027·30, 9027·40, 9027·50, 9027·80, 9028·10, 9028·20, 9028·30, 9029·10, 9029·20, 9030·10, 9030·20, 9030·31, 9030·39, 9030·40, 9030·81, 9030·89, 9031·10, 9031·20, 9031·30, 9031·40, 9031·80, 9032·10, 9032·20, 9032·81 and 9032.89, for the entry in column (4), the entry "80%" shall be substituted;

(*iii*) in sub-heading No. 9023·00, for the entry in column (4), the entry "45%" shall be substituted;

(*84*) in Chapter 91, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*85*) in Chapter 92, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*86*) in Chapter 93, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*87*) in Chapter 94, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*88*) in Chapter 95, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*89*) in Chapter 96, for the entry in column (4) occurring against all the sub-heading Nos., the entry "85%" shall be substituted;

(*90*) in Chapter 97,—

(*i*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading Nos. 9704·00 and 9705·00), the entry "85%" shall be substituted;

(*ii*) in sub-heading Nos. 9704·00 and 9705·00, for the entry in column (4), the entry "45%" shall be substituted;

(*91*) in Chapter 98,—

(*i*) in sub-heading Nos. 9801·00 and 9802·00, for the entry in column (4), the entry "85%" shall be substituted;

(*ii*) in sub-heading No. 9803·00, for the entry in column (4), the entry "345%" shall be substituted;

(*iii*) in sub-heading Nos. 9804·10 and 9804·90, for the entry in column (4), the entry "85%" shall be substituted;

(*iv*) in sub-heading No. 9805·10, for the entry in column (4), the entry "75%" shall be substituted;

(*v*) in sub-heading No. 9805·90, for the entry in column (4), the entry "85%", shall be substituted.

THE THIRD SCHEDULE

(*See* section 46)

In the Schedule to the Central Excise Tariff Act,—

(*1*) under the heading "*Rules for the interpretation of this Schedule*", in rule 5,—

(*a*) for the words "Chapter Notes", the words "Sub-heading Notes" shall be substituted;

(*b*) for the words "Section Notes", the words "Chapter and Section Notes" shall be substituted;

(*2*) in Chapter 15, in sub-heading Nos. 1501·00, 1506·11, 1506·12, 1506·20 and 1507·00, for the entry in column (4), the entry "20%" shall be substituted;

(*3*) in Chapter 17, in sub-heading No. 1702·21, for the entry in column (4), the entry "20%" shall be substituted;

(*4*) in Chapter 19, in sub-heading Nos. 1901·19 and 1901·90, for the entry in column (4), the entry "25%" shall be substituted;

(*5*) in Chapter 22,—

(*a*) in sub-heading No. 2201·11, for the entry in column (4), the entry "60 paise" shall be substituted;

(*b*) in sub-heading No. 2201·12, for the entry in column (4), the entry "60 paise *plus* 5 paise for every 100 millilitres or fraction thereof in excess of 200 millilitres" shall be substituted;

(*c*) in sub-heading No. 2202·11, for the entry in column (4), the entry "90 paise" shall be substituted;

(*d*) in sub-heading No. 2202·12, for the entry in column (4), the entry "95 paise" shall be substituted;

(*e*) in sub-heading No. 2202·13, for the entry in column (4), the entry "Rs. 1·05" shall be substituted;

(*f*) in sub-heading No. 2202·14, for the entry in column (4), the entry "Rs. 1·05 *plus* 20 paise for every 100 millilitres or fraction thereof in excess of 300 millilitres" shall be substituted;

(*g*) in sub-heading No. 2203·00, for the entry in column (4), the entry "20%" shall be substituted;

(*6*) in Chapter 24,—

(*a*) in sub-heading No. 2404·11, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 2404·31, for the entry in column (4), the entry "Rs. 8·60 per thousand" shall be substituted;

(*c*) in sub-heading Nos. 2404·41 and 2404·50, for the entry in column (4), the entry "25%" shall be substituted.

(*7*) in Chapter 25, in sub-heading No. 2503.00, for the entry in column (4), the entry "20%" shall be substituted;

(*8*) in Chapter 27,—

(*a*) in sub-heading Nos. 2707·10, 2707·20, 2707·30, 2707·60 and 2707·90, for the entry in column (4), the entry "15%" shall be substituted;

(*b*) in sub-heading No. 2708·11, for the entry in column (4), the entry "Rs. 110 per tonne" shall be substituted;

(*c*) in sub-heading No. 2710·11, for the entry in column (4), the entry "Rs. 2,230 per kilolitre at 15°C" shall be substituted;

(*d*) in sub-heading No. 2710·12, for the entry in column (4), the entry "Rs. 2,035 per kilolitre at 15°C" shall be substituted;

(*e*) in sub-heading No. 2710·13, for the entry in column (4), the entry "Rs. 2,200 per kilolitre at 15°C" shall be substituted;

(*f*) in sub-heading No. 2710·32, for the entry in column (4), the entry "Rs. 1,100 per kilolitre at 15°C" shall be substituted;

(*g*) in sub-heading No. 2710·39, for the entry in column (4), the entry "Rs. 500 per kilolitre at 15°C" shall be substituted;

(*h*) in sub-heading No. 2710·40, for the entry in column (4), the entry "Rs. 175 per kilolitre at 15°C" shall be substituted;

(*i*) in sub-heading No. 2710·50, for the entry in column (4), the entry "Rs. 160 per kilolitre at 15°C" shall be substituted;

(*j*) in sub-heading Nos. 2710·60, 2710.70 and 2710.80, for the entry in column (4), the entry "Rs. 5,000 per tonne" shall be substituted;

(*k*) in sub-heading Nos. 2710·91 and 2710·92, for the entry in column (4), the entry "25%" shall be substituted;

(*l*) in sub-heading Nos. 2710·93 and 2710·94, for the entry in column (4), the entry "Rs. 700 per tonne" shall be substituted;

(*m*) in sub-heading No. 2710·95, for the entry in column (4), the entry "Rs. 5,000 per tonne" shall be substituted;

(*n*) in sub-heading Nos. 2710·99, 2712·10, 2712·20, 2712·90, 2713·11 and 2713·12, for the entry in column (4), the entry "25%" shall be substituted;

(*o*) in sub-heading Nos. 2713.20, 2713·30, 2714·10 and 2715·10, for the entry in column (4), the entry "Rs. 175 per tonne" shall be substituted;

(*9*) in Chapter 28,—

(*a*) in sub-heading No. 2801·10, for the entry in column (4), the entry "Rs. 110 per tonne" shall be substituted;

(*b*) in sub-heading No. 2814·00, for the entry in column (4), the entry "Rs. 1,200 per tonne" shall be substituted;

(*10*) in Chapter 29,—

(*a*) in sub-heading No. 2901·10, for the entry in column (4), the entry "Rs. 14 per cubic metre of the gas at normal pressure at 15°C" shall be substituted;

(*b*) in sub-heading No. 2903·10, for the entry in column (4), the entry "40%" shall be substituted;

(*11*) in Chapter 32, in sub-heading No. 3204·90, for the entry in column (4), the entry "40%" shall be substituted;

(*12*) in Chapter 33,—

(*a*) in sub-heading Nos. 3301·00, 3302·10, 3302·90 and 3303·00, for the entry in column (4), the entry "25%" shall be substituted;

(*b*) in sub-heading No. 3304·00, for the entry in column (4), the entry "70%" shall be substituted;

(*c*) in sub-heading No. 3305·10, for the entry in column (4), the entry "30%" shall be substituted;

(*d*) in sub-heading No. 3305·90, for the entry in column (4), the entry "70%" shall be substituted;

(*e*) in sub-heading No. 3306·00, for the entry in column (4), the entry "20%" shall be substituted;

(*f*) in sub-heading Nos. 3307·10, 3307·20 and 3307·30, for the entry in column (4), the entry "70%" shall be substituted;

(*g*) in sub-heading No. 3307·49, for the entry in column (4), the entry "20%" shall be substituted;

(*h*) in sub-heading No. 3307·90, for the entry in column (4), the entry "70%" shall be substituted;

(*13*) in Chapter 34,—

(*a*) in sub-heading No. 3401·20, for the entry in column (4), the entry "30%" shall be substituted;

(*b*) in sub-heading No. 3401·30, for the entry in column (4), the entry "20%" shall be substituted;

(*c*) in sub-heading No. 3402·90, for the entry in column (4), the entry "35%" shall be substituted;

(*d*) in sub-heading No. 3403·00, for the entry in column (4), the entry "20% *plus* Rs. 4,000 per tonne" shall be substituted;

(*e*) in sub-heading Nos. 3404·00, 3406·00 and 3407·00, for the entry in column (4), the entry "20%" shall be substituted;

(*14*) in Chapter 35,—

(*a*) in sub-heading Nos. 3501·00, 3502·00, 3503·00 and 3504·00, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 3505·10, for the entry in column (4), the entry "45%" shall be substituted;

(*c*) in sub-heading Nos. 3505·20, 3505·90 and 3507·00, for the entry in column (4), the entry "20%" shall be substituted;

(*15*) in Chapter 36,—

(*a*) in sub-heading No. 3601·00, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 3602·00, for the entry in column (4), the entry "25%" shall be substituted;

(*c*) in sub-heading No. 3603·00, for the entry in column (4) the entry "20%" shall be substituted;

(*16*) in Chapter 37,—

(*a*) in sub-heading No. 3701·90, for the entry in column (4), the entry "25%" shall be substituted;

(*b*) in sub-heading No. 3702·90, for the entry in column (4), the entry "25% *plus* Rs. 28 per square metre" shall be substituted;

(*c*) in sub-heading Nos. 3703·10, 3703·20, 3704·10 and 3704·20, for the entry in column (4), the entry "25%" shall be substituted;

(*17*) in Chapter 39, for the entry in column (4), occurring against all the sub-heading Nos. (except sub-heading Nos. 3909·60, 3915·90, 3921·11, 3922·10, 3922·20, 3922·90, 3923·11, 3923·19, 3923.90, 3924·11, 3924·19, 3924·90, 3925·10, 3925·20, 3925·30, 3925·91, 3925·99, 3926·10 and 3926·90), the entry "50%" shall be substituted;

(*18*) in Chapter 40,—

(*a*) in sub-heading Nos. 4001·00, 4002·00, 4003·00 and 4004·00, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 4005·00, for the entry in column (4), the entry "45%" shall be substituted;

(*c*) in sub-heading No. 4006·10, for the entry in column (4), the entry "Rs. 15 per kilogram" shall be substituted;

(*d*) in sub-heading No. 4007·00 for the entry in column (4), the entry "20%" shall be substituted;

(*e*) in sub-heading Nos. 4008.11 and 4008·19, for the entry in column (4), the entry "70%" shall be substituted;

(*f*) in sub-heading No. 4008·21, for the entry in column (4), the entry "Rs. 15 per kilogram" shall be substituted;

(*g*) in sub-heading No. 4010·10, for the entry in column (4), the entry "35%" shall be substituted;

(*h*) in sub-heading No. 4011·20, for the entry in column (4), the entry "Rs. 50 per tyre" shall be substituted;

(*i*) in sub-heading Nos. 4011·39 and 4011·40, for the entry in column (4), the entry "Rs. 2,100 per tyre" shall be substituted;

(*j*) in sub-heading No. 4011·50, for the entry in column (4), the entry "Rs. 4,000 per tyre" shall be substituted;

(*k*) in sub-heading No. 4011.60, for the entry in column (4), the entry "Rs. 700 per tyre" shall be substituted;

(*l*) in sub-heading No. 4011·70, for the entry in column (4), the entry "Rs. 2,100 per tyre" shall be substituted;

(*m*) in sub-heading Nos. 4011·80 and 4011·91, for the entry in column (4), the entry "70%" shall be substituted;

(*n*) in sub-heading No. 4011·99, for the entry in column (4), the entry "35%" shall be substituted;

(*o*) in sub-heading No. 4012·19, for the entry in column (4), the entry "Rs. 40 per flap" shall be substituted;

(*p*) in sub-heading No. 4012·90, for the entry in column (4), the entry "20%" shall be substituted;

(*q*) in sub-heading Nos. 4013·30, 4013·40 and 4013·50, for the entry in column (4), the entry "Rs. 300 per tube" shall be substituted;

(*r*) in sub-heading No. 4013.60, for the entry in column (4), the entry "Rs. 150 per tube" shall be substituted;

(*s*) in sub-heading No. 4013.70, for the entry in column (4), the entry "Rs. 300 per tube" shall be substituted;

(*t*) in sub-heading No. 4013.91, for the entry in column (4), the entry "Rs. 1,150 per tube" shall be substituted;

(*u*) in sub-heading No. 4013.99, for the entry in column (4), the entry "Rs. 115 per tube" shall be substituted;

(*v*) in sub-heading Nos. 4014.90 and 4015.00, for the entry in column (4), the entry "20%" shall be substituted;

(*w*) in sub-heading No. 4016.11, for the entry in column (4), the entry "70%" shall be substituted;

(*x9*) in Chapter 42, in sub-heading No. 4201·90, for the entry in column (4), the entry "35%" shall be substituted;

(*z0*) in Chapter 43, in sub-heading No. 4301.00, for the entry in column (4), the entry "20%" shall be substituted;

(*z1*) in Chapter 44,—

(*a*) in sub-heading No. 4404.00, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 4409.00, for the entry in column (4), the entry "25%" shall be substituted;

(*c*) in sub-heading No. 4410.10, for the entry in column (4), the entry "35%" shall be substituted;

(*z2*) in Chapter 45, in sub-heading No. 4501.00, for the entry in column (4), the entry "20%" shall be substituted;

(*z3*) in Chapter 48,—

(*a*) in sub-heading Nos. 4801.10 and 4801·90, for the entry in column (4), the entry "15%" shall be substituted;

(*b*) in sub-heading Nos. 4802·20, 4802.91, 4802.99, 4803.00, 4804.19, 4804·29, 4804·30, 4805.19, 4805·20, 4805·30, 4805.90, 4806.10, 4806·20, 4806·90, 4807·10, 4807·92, 4807.99, 4808.10, 4808.90, 4810.10, 4810·20, 4810.90, 4811·10 and 4811·20, for the entry in column (4), the entry "30%" shall be substituted;

(*c*) in sub-heading No. 4811.30, for the entry in column (4), the entry "40%" shall be substituted;

(*d*) in sub-heading No. 4811·40, for the entry in column (4), the entry "30%" shall be substituted;

(*e*) in sub-heading No. 4811.90, for the entry in column (4), the entry "40%" shall be substituted;

(*f*) in sub-heading Nos. 4812·00, 4813.00, 4814.00, 4817.00, 4818.00, 4819·90, 4820·00, 4821.00, 4822·00, 4823·11, 4823·12, 4823.14 and 4823·19, for the entry in column (4), the entry "30%" shall be substituted;

(*z4*) n Chapter 49, in sub-heading No. 4901·10, for the entry in column (4), the entry "20%" shall be substituted;

(*25*) in Chapter 51,—

(*a*) in sub-heading Nos. 5102·90 and 5105·00, for the entry in column (4), the entry "15%" shall be substituted;

(*b*) in sub-heading No. 5107·24, for the entry in column (4), the entry "3%" shall be substituted;

(*c*) in sub-heading No. 5107·39, for the entry in column (4), the entry "6%" shall be substituted;

(*d*) in sub-heading Nos. 4107·41 and 5107·42, for the entry in column (4), the entry "3%" shall be substituted;

(*e*) in sub-heading No. 5107·49, for the entry in column (4), the entry "10%" shall be substituted;

(*f*) in sub-heading Nos. 5107·91 and 5107·92, for the entry in column (4), the entry "5%" shall be substituted;

(*g*) in sub-heading No. 5107·99, for the entry in column (4), the entry "12%" shall be substituted;

(*h*) in sub-heading No. 5108·00, for the entry in column (4), the entry "15%" shall be substituted;

(*26*), in Chapter 53,—

(*a*) in sub-heading No. 5301·31, for the entry in column (4), the entry "Rs. 15 per kilogram" shall be substituted;

(*b*) in sub-heading No. 5302·20, for the entry in column (4), the entry "Rs. 805 per tonne' shall be substituted;

(*c*) in sub-heading No. 5303·31, for the entry in column (4), the entry "Rs. 1·50 per kilogram" shall be substituted;

(*d*) in sub-heading No. 5304·00, for the entry in column (4), the entry "15%" shall be substituted;

(*e*) in sub-heading No. 5306·29, for the entry in column (4), the entry "Rs. 805 per tonne" shall be substituted;

(*f*) in sub-heading No. 5307·12, for the entry in column (4), the entry "10%" shall be substituted;

(*g*) in sub-heading No. 5308·00, for the entry in column (4), the entry "15%" shall be substituted;

(*27*) in Chapter 54,—

(*a*) in sub-heading No. 5401·10, for the entry in column (4), the entry "Rs. 11 per kilogram or 60% whichever is less" shall be substituted;

(*b*) in sub-heading No. 5401·20, for the entry in column (4), the entry "Rs. 2 per koligram" shall be substituted;

(*c*) in sub-heading No. 5401·90, for the entry in column (4), the entry "Rs. 11 per kilogram or 60% whichever is less" shall be substituted;

(*28*) in Chapter 55,—

(*a*) in sub-heading Nos. 5503·12 and 5503·19, for the entry in cloumn (4), the entry "Rs. 11 per kilogram or 60% whichever is less" shall be substituted;

(*b*) in sub-heading No. 5503·20, for the entry in column (4), the entry "Rs. 2 per kilogram" shall be substituted;

(*29*) in Chapter 56,—

(*a*) in sub-heading Nos. 5601.00, 5602·10, 5602·90, 5603.00, 5604.00, 5605.90 and 5606·00, for the entry in column (4), the entry "15%" shall be substituted;

(*b*) in sub-heading No. 5607.19, for the entry in column (4), the entry "Rs. 805 per tonne" shall be substituted;

(*c*) in sub-heading Nos. 5607·90 and 5608.00, for the entry in column (4), the entry "15%" shall be substituted;

(*30*) in Chapter 57,

(*a*) in sub-heading Nos. 5701.11 and 5701·12, for the entry in column (4), the entry "35%" shall be substituted;

(*b*) in sub-heading No. 5702·20, for the entry in column (4), the entry "Rs. 805 per tonne" shall be substituted;

(*c*) in sub-heading No. 5702·90, for the entry in column (4), the entry "35%" shall be substituted;

(*31*) in Chapter 58,—

(*a*) in sub-heading No. 5801·20, for the entry in column (4), the entry "10%" shall be substituted;

(*b*) in sub-heading No. 5801.90, for the entry in column (4), the entry "15%" shall be substituted;

(*c*) in sub-heading Nos. 5802·12, 5802.19 and 5804.11, for the entry in column (4), the entry "10%" shall be substituted;

(*d*) in sub-heading Nos. 5804.19 and 5804·90, for the entry in column (4), the entry "15%" shall be substituted;

(*e*) in sub-heading No. 5805.19, for the entry in column (4), the entry" 25% *plus* the duty for the time being leviable on base fabrics if no talready paid" shall be substituted;

(*f*) in sub-heading Nos. 5806.10 and 5806.90, for the entry in column (4), the entry "15%" shall be substituted;

(*32*) in Chapter 59,—

(*a*) in sub-heading Nos. 5903.19, 5903.29 and 5903.99, for the entry in column (4), the entry "35% *plus* Rs.15 per square metre *plus* the duty for the time being leviable on base fabrics, if not already paid" shall be substituted;

(*b*) in sub-heading No. 5904·10, for the entry in column (4), the entry "35%" shall be substituted;

(*c*) in sub-heading No. 5904·20, for the entry in column (4), the entry "30%" shall be substituted;

(*d*) in sub-heading No. 5904·90, for the entry in column (4), the entry "35%" shall be substituted;

(*e*) in sub-heading No. 5905.90, for the entry in column (4), the entry "15%" shall be substituted;

(*f*) in sub-heading No. 5906·11, for the entry in column (4), the entry "35% *plus* the duty for the time being leviable on base fabrics, under Chapter 52, if not already paid" shall be substituted;

(*g*) in sub-heading No. 5906·12 for the entry in column (4), the entry "35% *plus* the duty for the time being leviable on base fabrics, under Chapter 54 or 55, as the case may be, if not already paid" shall be substituted;

(*h*) in sub-heading No. 5906.19, for the entry in column (4), the entry "35% *plus* the duty for the time being leviable on base fabrics, if not already paid" shall be substituted;

(*i*) in sub-heading No. 5906.90, for the entry in column (4), the entry "35%" shall be substituted;

(*j*) in sub-heading No. 5907.00, for the entry in column (4), the entry "15%" shall be substituted;

(*k*) in sub-heading No. 5908·00, for the entry in column (4), the entry "35%" shall be substituted;

(*l*) in sub-heading No. 5909.00, for the entry in column (4), the entry "15%" shall be substituted;

(*33*) in Chapter 60,—

(*a*) in sub-heading No. 6001.11, for the entry in column (4), the entry "10%"shall be substituted;

(*b*) in sub-heading No. 6001·19, for the entry in column (4), the entry "15%" shall be substituted;

(*34*) in Chapter 62, in sub-heading No. 6202.00, for the entry in column (4), the entry "15%" shall be substituted;

(*35*) in Chapter 63, in sub-heading No. 6301.00, for the entry in column (4), the entry "15%" shall be substituted;

(*36*) in Chapter 68,—

(*a*) in sub-heading Nos. 6801.10 and 6802.00, for the entry in column (4), the entry "25%" shall be substituted;

(*b*) in sub-heading Nos. 6804·10, 6804·20 and 6804·30, and 6804.90, for the entry in column (4), the entry "30%" shall be substituted;

(*c*) in sub-heading No. 6805·90, for the entry in column (4), the entry "20%"shall be substituted;

(*d*) in sub-heading No. 6806.90, for the entry in column (4), the entry "25%" shall be substituted;

(*e*) in sub-heading No. 6807.00, for the entry in column (4), the entry "35%" shall be substituted;

(*37*) in Chapter 69,—

(*a*) in sub-heading Nos. 6901.00, 6902·10, 6902·90, 6903·90 and 6904·10, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 6905·00, for the entry in column (4), the entry "35%" shall be substituted;

(*c*) in sub-heading No. 6906·10, for the entry in column (4), the entry "55%" shall be substituted;

(*d*) in sub-heading No. 6906.90, for the entry in column (4), the entry "35%" shall be substituted;

(*e*) in sub-heading No. 6908.10, for the entry in column (4), the entry "45%" shall be substituted;

(*f*) in sub-heading No. 6909·10, for the entry in column (4), the entry "25%" shall be substituted;

(g) in sub-heading No. 6909.20, for the entry in column (4), the entry "45%" shall be substituted;

(*h*) in sub-heading Nos. 6909.90 and 6911.00, for the entry in column (4), the entry "35%" shall be substituted;

(*38*) in Chapter 71, in sub-heading Nos. 7101.80 and 7101.90, for the entry in column (4), the entry "20%" shall be substituted;

(*39*) in Chapter 72, after NOTE 3, the following NOTE shall be inserted, namely :—

"4. In relation to flat-rolled products of this Chapter, the process of hardening or tempering shall amount to manufacture.";

(*40*) in Chapter 73, —

(*a*) in sub-heading Nos. 7318.10 and 7318.21, for the entry in column (4), the entry "15%" shall be substituted;

(*b*) in sub-heading Nos. 7321.10 and 7321.20, for the entry in column (4), the entry "30%" shall be substituted;

(*c*) in sub-heading No. 7321.90, for the entry in column (4), the entry "15%" shall be substituted;

(*41*) in Chapter 74, in sub-heading Nos. 7401.10, 7401.20, 7402.00, 7403.11, 7403.12, 7403.13, 7403.19, 7403.21, 7403.22, 7403.23, 7403.29, 7404.00, 7405.00, 7407.11, 7407.12, 7407.29. 7408.11, 7408.19, 7408.21, 7408.29, 7409.10, 7409.20, 7409.30, 7409.40, 7409.90, 7410.11, 7410.12, 7410.21, 7410.22, 7413.00, 7415.31, 7415.32, and 7415.39, for the entry in column (4), the entry "15%" shall be substituted;

(*42*) in Chapter 76, for the entry in column (4) occurring against all the sub-heading Nos., the entry "25%" shall be substituted;

(*43*) in Chapter 78, for the entry in column (4) occurring against all the sub-heading Nos., the entry "15%" shall be substituted;

(*44*) in Chapter 79, for the entry in column (4) occurring against all the sub-heading Nos., the entry "15%" shall be substituted;

(*45*) in Chapter 82, for the entry in column (4) occurring against all the sub-heading Nos., the entry "15%" shall be substituted;

(*46*) in Chapter 83,—

(*a*) in sub-heading No. 8302.00, for the entry in column (4), the entry "30%" shall be substituted;

(*b*) in sub-heading No. 8303.00, for the entry in column (4), the entry "40%" shall be substituted;

(*c*) in sub-heading No. 8304.00, for the enry in column (4), the entry "30%" shall be substituted;

(*d*) in sub-heading No. 8307.00, for the entry in column (4), the entry "20%" shall be substituted;

(*e*) in sub-heading Nos. 8309.10 and 8309.20, for the entry in column (4), the entry "6 paise each" shall be substituted;

(*f*) in sub-heading No. 8310.00, for the entry in column (4), the entry "20%" shall be substituted;

(*47*) in Chapter 84,—

(*a*) in sub-heading Nos. 8401.00, 8402.00, 8403.00, 8404.00, 8405.00 and 8406.00, for the entry in column (4), the entry "10%" shall be substituted;

(*b*) in sub-heading No. 8409.00, for the entry in column (4), the entry "25%" shall be substituted;

(*c*) in sub-heading Nos. 8410.00, 8411.00, 8412.00, 8413.00, 8414.80, 8416.00, 8417.00, 8420.00 and 8421.00, for the entry in column (4), the entry "10%" shall be substituted;

(*d*) in sub-heading No. 8422.90, for the entry in column (4), the entry "25%" shall be substituted;

(*e*) in sub-heading No. 8423.00, for the entry in column (4), the entry "20%" shall be substituted;

(*f*) in sub-heading Nos. 8424.00, 8425.00 and 8426.00, for the entry in column (4), the entry "10%" shall be substituted;

(g) in sub-heading No. 8427.00, for the entry in column (4), the entry "25%" shall be substituted;

(*h*) in sub-heading No. 8428.00, for the entry in column (4), the entry "20%" shall be substituted;

(*i*) in sub-heading Nos. 8429.00 and 8430.00, for the entry in column (4), the entry "10%" shall be substituted;

(*j*) in sub-heading No. 8431.00, for the entry in column (4), the entry "25%" shall be substituted;

(*k*) in sub-heading Nos. 8432.00, 8433.00, 8434.00, 8435.00 8436.00, 8437.00, 8438.00, 8439.00, 8440.00, 8441.00, 8442.00, 8443.00, 8444.00, 8445.00, 8446.00, 8447.00, 8448.00, 8449.00, 8451.00, 8453.00, 8454.00, 8455.00, 8456.00, 8457.00, 8458.00, 8459.00, 8460.00, 8461.00, 8462.00, 8463.00, 8464.00, 8465.00, and 8466.00, for the entry in column (4), the entry "10%" shall be substituted;

(*l*) in sub-heading No. 8469.00, for the entry in column (4), the entry "25%" *plus* Rs. 5,000 per machine" shall be substituted;

(*m*) in sub-heading Nos. 8470.00, 8472.00, and 8473.00, for the entry in column (4), the entry "25%" shall be substituted.

(*n*) in sub-heading Nos. 8474.00 and 8475.00, for the entry in column (4), the entry "10%" shall be substituted;

(*o*) in sub-heading Nos. 8476.00 and 8446.99, for the entry in column (4), the entry "25%" shall be substituted;

(*p*) in sub-heading Nos. 8477.00, 8478.00, 8479.00 and 8480.00, for the entry in column (4), the entry "10%" shall be substituted;

(*q*) in sub-heading Nos. 8481.99, 8485.10 and 8485·90, for the entry in column (4), the entry "20%" shall be substituted;

(*48*) in Chapter 85,—

(*a*) in sub-heading No. 8501.00, for the entry in column (4), the entry "10%" shall be substituted.

(*b*) in sub-heading No. 8502.00, for the entry in column (4), the entry "20%" shall be substituted;

(*c*) in sub-heading No. 8506.00, for the entry in column (4), the entry "40%" shall be substituted;

(*d*) in sub-heading No. 8510.00, for the entry in column (4), the entry "35%" shall be substituted;

(*e*) in sub-heading Nos. 8511.00 and 8512.00, for the entry in column (4), the entry "25%" shall be substituted;

(*f*) in sub-heading Nos. 8514.00 and 8515.00, for the entry in column (4), the entry "10%" shall be substituted;

(*g*) in sub-heading No. 8516.00, for the entry in column (4), the entry "35%" shall be substituted;

(*h*) in sub-heading No. 8533.00, for the entry in column (4), the entry "25%" shall be substituted;

(i) in sub-heading Nos. 8537.00 and 8538.00, for the entry in column (4), the entry "20%" shall be substituted;

(*j*) in sub-heading No. 8539.00, for the entry in column (4), the entry "40% *plus* Rs. 10 per lamp" shall be substituted;

(*k*) in sub-heading Nos. 8540.90, 8541.00 and 8542.00, for the entry in column (4), the entry "20%" shall be substituted;

(*l*) in sub-heading No. 8544.00, for the entry in column (4), the entry "35%" shall be substituted;

(*m*) in sub-heading No. 8545.00, for the entry in column (4), the entry "25%" shall be substituted;

(*n*) in sub-heading No. 8546.00, for the entry in column (4), the entry "40%" shall be substituted;

(*o*) in sub-heading Nos. 8547.00 and 8548.00, for the entry in column (4), the entry "20%" shall be substituted;

(*49*) in Chapter 87,—

(*a*) in sub-heading Nos. 8702.00, 8704.00, 8706.20 and 8707.40, for the entry in column (4), the entry "60%" shall be substituted;

(*b*) in sub-heading No. 8708.00, for the entry in column (4), the entry "25%" shall be substituted;

(*50*) in Chapter 88, for the entry in column (4) occurring against all the sub-heading Nos., the entry "20%" shall be substituted;

(*51*) in Chapter 89,—

(*a*) for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 8908.00), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 8908·00, for the entry in column (4), the entry "Rs. 1,000 per Light Displacement Tonnage" shall be substituted;

(*52*) in Chapter 90,—

(*a*) in sub-heading Nos. 9001.00, 9002.00, 9003.90 and 9005.00, for the entry in column (4), the entry "20%" shall be substituted;

(*b*) in sub-heading No. 9006.00, for the entry in column (4), the entry "35%" shall be substituted;

(*c*) in sub-heading No. 9009.00, for the entry in column (4), the entry "25%" shall be substituted;

(*d*) in sub-heading No. 9010.00, for the entry in column (4), the entry "20%" shall be substituted;

(*e*) in sub-heading Nos. 9032.11 and 9032.91, for the entry column (4), the entry "125%" shall be substituted;

(*53*) in Chapter 91, in sub-heading No. 9106.00, for the entry in column (4), the entry "25%" shall be substituted;

(*54*) in Chapter, 93, for the entry in column (4) occurring against all the sub-heading Nos. (except sub-heading No. 9301.00), the entry "20%" shall be substituted;

(*55*) in Chapter 94—

(*a*) in sub-heading No. 9401.00 for the entry in column (4), the entry "30%" shall be substituted;

(*b*) in sub-heading No. 9403.00, for the entry in column, (4), the entry "35%" shall be substituted;

(*c*) in sub-heading No. 9405.00, for the entry in column (4), the entry "40%" shall be substituted;

(*56*) in Chapter 95, in sub-heading No. 9504.00, for the entry in column (4), the entry "35%" shall be substituted;

(*57*) in Chapter 96—

(*a*) in sub-heading Nos. 9601.00, 9602.00 and 9605.90, for the entry in column (4), the entry "20%" shall be subsituted;

(*b*) in sub-heading No. 9612.00, for the entry in column (4), the entry "30%" shall be substituted;

(*c*) in sub-heading No. 9613.10, for the entry in column (4), the entry "Rs. 5 per lighter" shall be substituted;

(*d*) in sub-heading Nos. 9614.00, 9615.00, 9616.00 and 9618.00, for the entry in column (4), the entry "20%" shall be substituted.

K. L. MOHANPURIA,
Secy. to the Govt. of India.

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